As of 11 a.m. ET **DJIA** 10406.51 ▲ 1.32% **FTSE 100** 5382.67 ▲ 1.63% **Nikkei 225** 9791.18 ▲ 0.21% **Shanghai Comp.** 3275.05 ▲ 2.74% **Hang Seng** 22943.98 ▲ 1.73% **Sensex** 17032.51 ▲ 1.09% **S&P/ASX 200** 4755.20 ▲ 1.04%

As iPhone heads into China, hopeful software firms follow
TECHNOLOGY 11-12

Obama's weak-dollar policy is Asia's problem.
EDITORIALS & OPINION 13

Australia: A$6.00(Incl GST), Brunei: B$5.00, China: RMB25.00, Hong Kong: HK$18.00, India: Rs25.00, Indonesia: Rp18,000(Incl PPN), Japan: Yen500(Incl JCT), Korea: Won2,500, Malaysia: RM6.00, Pakistan: Rs80.00, Philippines: Peso80.00, Singapore: S$4.00(Incl GST), Sri Lanka: Sirs180(Incl VAT), Taiwan: NT$60.00, Thailand: Baht50.00, Vietnam: US$2.50

KKDN PPS 648/11/2010 (028507) KKDN PP 9315/10/2010 (025811) MICA (P) NO. 048/10/2009 SK. MENPEN R.I. NO: 01/SK/MENPEN/SCIJ/1998 TGL. 4 SEPT 1998

THE WALL STREET JOURNAL.

THE WALL STREET JOURNAL.

VOL. XXXIV NO. 56 (India facsimile VOL. 1 NO. 117) * * ASIA Tuesday, November 17, 2009

DOWJONES A NEWS CORPORATION COMPANY asia.WSJ.com

China's limits foil Obama charm

By Ian Johnson And Jonathan Weisman

U.S. President Obama arriving in Beijing on Monday as part of his four-nation Asia tour. The China leg of his trip is one of the most tightly scripted in recent memory.

Getty Images

BEIJING—As he dives into the heart of his trip to China, U.S. President Barack Obama is finding it hard to bring his trademark charisma to bear.

Mr. Obama is slated to meet Chinese President Hu Jintao on Tuesday, after which the two will make statements to be broadcast live on Chinese television. But that is likely to be the only chance he has to address the Chinese people directly. A town-hall event Monday that was supposed to highlight Mr. Obama's common touch ended up being a tightly scripted affair.

The net effect is that the trip, which isn't expected to yield major substantive agreements, also isn't likely to give Mr. Obama much of a symbolic victory either. Longtime observers say the visit, which ends Wednesday, is one of the most tightly controlled in recent memory, with Mr. Obama afforded none of the opportunities to reach Chinese people given to his two predecessors.

"The mystery is the lack of public contact," said David Shambaugh, a professor of Chinese studies at George Washington University, currently on a fellowship in China. "He's a populist politician but he's not getting any interaction with Chinese people."

According to U.S. and Chinese officials, the itinerary has been sharply contested by both sides. The U.S. wanted a chance for Mr. Obama's telegenic personality to shine through and make a case for greater freedoms, but Chinese officials pushed back, according to a Chinese media insider. The Chinese side was wary of making Mr. Obama look more accessible than China's own politicians, who appear on television only during highly scripted moments, such as inspection tours.

Senior administration officials defended the trip and rejected negative comparisons to a longer, more free-wheeling visit by then-President Bill Clinton.

A packed agenda in Asia meant Mr. Obama had to keep the visit to China short, said David Axelrod, one of Mr. Obama's senior advisers. Mr. Obama had to stop first in Japan to visit a trusted ally, join the Asia-Pacific Economic Cooperation forum in Singapore, and stop by South Korea for consultations on one of the most pressing foreign-policy issues: North Korea.

"Clinton came for more than a week, which gave him the latitude to do a variety of things and to meet with more people. We're here for 2½ days," Mr. Axelrod said.

The lack of public interaction will be especially obvious Tuesday. Although Mr. Hu and Mr. Obama will meet the press, they won't take questions. Mr. Obama will spend the afternoon sightseeing and then go to a state dinner, with an invitation list controlled by the Chinese side, according to people familiar with the planning. Senior U.S.

Please turn to page 20

Korea flexes nuclear-power muscle

South Korea is emerging as an unexpected contender in the global race to build nuclear-power plants, turning up as a finalist for one of the industry's most-coveted projects.

*By **David Gauthier-Villars**, **Margaret Coker** and **Evan Ramstad***

The Korean bid has surprised more-established competitors—including industry leader **Areva** SA of France—as well as officials in the United Arab Emirates, who are examining bids for a contract that could be worth as much as $40 billion to build and run the Arab world's first nuclear-power plants. U.A.E. officials could award the contract as early as the next few weeks.

Three groups have been short-listed for the U.A.E. deal, according to people familiar with the situation.

Early in the bidding process, many observers expected a two-horse race between a French consortium including Areva, **GdF Suez** SA, **Electricité de France** and **Total** SA and a U.S.-Japanese consortium including **General Electric** Co. and **Hitachi** Ltd.

But the Korean bid has emerged as "far more competitive than anyone first thought," according to a person familiar with the situation. The bidding group is led by **Korea Electric Power** Co., construction units of the Samsung and Hyundai business groups, and Westinghouse, a unit of Japan's **Toshiba** Corp.

Indeed, in an effort to bridge the cost gap with the cheaper South Korean bid, the French group revised its own offer and proposed to build fewer reactors than it initially planned, according to people familiar with the matter.

An Areva-designed EPR plant being constructed in Flamanville, France.

Agence France-Presse/Getty Images

U.A.E. and company officials declined to comment on the contest, citing confidentiality agreements.

The U.A.E. deal calls for the winner to spearhead the development, construction and operation of nuclear reactors and supporting facilities in Abu Dhabi, the biggest and richest of the U.A.E.'s seven semiautonomous emirates.

The U.A.E. won't enrich its own uranium for reactor fuel, due to political and security concerns, but instead will buy it from third parties under the auspices of the International Atomic Energy Agency.

The global nuclear industry is dominated by France, Japan, the U.S. and Russia.

But, with more than half of

Please turn to page 20

Reading. Writing.
And redefining the classroom.
Intel has trained more than 6 million teachers to promote problem solving, critical thinking and collaboration in the classroom. Using these skills, students at one school in India educated their village about polio and provided vaccinations for underserved children. Learn more at intel.com/inside.
Sponsors of Tomorrow.
intel
©2009 Intel Corporation. Intel, the Intel logo, Intel Sponsors of Tomorrow™ and Intel Sponsors of Tomorrow logos are trademarks or registered trademarks of Intel Corporation or its subsidiaries in the United States and other countries.

PAGE TWO

What's News—

* * *

Business & Finance

■ **GM reported** a $1.15 billion loss, an improvement from a year earlier, and confirmed plans to accelerate repayments to U.S. and Canadian governments. While the company reported positive cash flow and a profit in its international operations, GM also lost market share around the globe. **21**

■ **Japan's economy rebounded** in the third quarter on stimulus measures and rising exports, but the threat of deflation remains. **3**

■ **U.S. stocks surged**, with the major indexes hitting intraday highs for 2009, as a report of robust growth in Japan sparked a rally in energy and materials firms. Most Asian shares rose. **31**

■ **The U.S. economy** will continue to grow in 2010 and its underlying strength will help ensure the dollar stays firm, Federal Reserve Chairman Bernanke said. **8**

■ **Taiwan and China clinched** long-awaited pacts that will help open their financial industries to each other's companies, a significant step in normalizing economic ties between the rivals. **22**

■ **Intel boosted** its dividend 12.5%, signaling increasing confidence in its earnings power and the economic recovery. **WSJ.com**

■ **Hitachi will raise** up to $4.6 billion from an issuance of new shares and convertible bonds to fund capital outlays and pay back its loans. **21**

■ **The Taiwan Stock Exchange** asked Chi Mei to provide an explanation for denying it was in merger talks and then announcing the sale of the company maker. **25**

■ **EADS swung to a loss**, hurt by the strength of the euro and cost increases, and said it is being hurt by problems with its Airbus A380 and A400M programs. **23**

■ **Swedish fashion retailer H&M** reported worse-than-expected same-store sales in October, with sales hit particularly hard in France, Spain and the U.S. **24**

■ **Investors in Babcock & Brown** Infrastructure approved a $1.68 billion recapitalization proposal by Canada's Brookfield Asset Management. **25**

■ **China's Haitong Securities** is in exclusive talks to buy Taifook Securities in a deal that values the Hong Kong brokerage at around $450 million. **27**

■ **Canon plans to buy** Dutch printer maker Oce for $1.09 billion in cash, as the Japanese office-machines maker pursues growth amid the global downturn. **23**

■ **Vodafone sought** an extension from India to explain the reasons for not deducting tax while paying $11.2 billion to buy a majority stake in an Indian mobile-phone operator. **23**

■ **Continued dollar weakness** sent gold to another record high and lifted platinum and palladium to more than 12-month highs. **27**

* * *

World-Wide

■ **Afghan authorities said** a special task force was created to fight corruption, in response to Washington and its allies. **6**

■ **Cambodia's Parliament** stripped the country's opposition leader of his immunity from prosecution for uprooting border markers on the frontier with Vietnam.

■ **Australia's prime minister** issued a historic apology to thousands of impoverished British children shipped to Australia with the promise of a better life, triggering calls for compensation.

■ **A blast killed four** in northwestern Pakistan, an area that is the focal point for militant retaliation against an army offensive along the nearby Afghan border.

■ **Ponds dug for storing water** and fish rearing are a key source of arsenic-contaminated drinking water and widespread poisoning in densely populated Bangladesh, according to a study.

Associated Press

GM Chief Executive Frederick Henderson described the company's performance as stable yet "unsatisfying."

Inside

Chinese confront issues of racism and discrimination. **4**

GE pursues the U.S. government's pot of stimulus gold. **16-17**

Hitachi will issue shares to reduce debt, and fund spending. **21**

Japan risks a 'double dip' as economic growth is shaky. **36**

To our readers:

The Wall Street Journal is on the move across Asia.

We're launching a new digital edition in Japanese next month. We've just launched a new real-time platform for our China coverage in English and Chinese. And today, our flagship print edition in Asia kicks off changes to its look and an expansion of its Asian content.

The new Wall Street Journal Asia features more space for news on Page One. Our popular What's News section moves to Page Two, in expanded form, and is flanked by new features to help you better navigate our rich content in print and online.

Our core corporate and financial coverage has been combined in a new section called Business & Finance, including an expanded Heard on the Street column. The paper will also carry a weekly wealth section and an expanded weekly technology section with even more regionally specific content. New columns from our staff across the region will add to our leading coverage of Asia.

We hope you like today's changes—and please stay tuned for more to come.

Almar Latour
Editor in Chief, Asia
The Wall Street Journal

ASIA ONLINE TODAY

Most read in Asia

1. China's Blunt Talk for Obama
2. China: A Superpower Stirs
3. Concerns Rise Around Obama Trip
4. How You Can Make $20 Billion
5. Melanie Kirkpatrick Reviews Sarah Palin's 'Going Rogue'

Most emailed in Asia

1. How to Ignore the Yes-Man in Your Head
2. How You Can Make $20 Billion
3. Avoid These Interview Killers
4. A Hint of Hype, A Taste of Illusion
5. China: A Superpower Stirs

Continuing coverage

U.S. President Barack Obama continues his visit to China with events in Beijing.

THE WALL STREET JOURNAL ASIA
Dow Jones Publishing Company (Asia)
25/F, Central Plaza, 18 Harbour Road, Hong Kong
Tel 852-2573 7121 Fax 852-2834 5291
www.wsj-asia.com

SUBSCRIPTIONS and Address Changes, please telephone our local customer service hotline, Hong Kong/Taiwan: 852-2831 2555; Beijing: 86-10 6581 4090; Shanghai: 86-21 5836 8228; Indonesia: 62-21 344 1101; Japan: 81-3 3595 7555; Korea: 82-2 756 1695; Malaysia: 60-3 2026 4061; Philippines: 63-2 848 5873; Singapore: 65-6415 4000; Thailand: 66-2 652 0871. Or email: service@wsj-asia.com

ADVERTISING SALES worldwide through Dow Jones International. Hong Kong: 852-2831 2504; Singapore: 65-6415 4300; Tokyo: 81-3 3292 4151; Frankfurt: 49 69 29725390; London: 44 207 842 9600; Paris: 33 1 40 17 17 01; New York: 1-212 659 2176. Or email: wsja.publisher@dowjones.com

Trademarks appearing herein are used under license from Dow Jones & Company. USPS 337-350ISSN 0377-9920

WORLD NEWS

Japan's economy surged in quarter

By Tomoyuki Tachikawa

TOKYO—Japan's economy rebounded sharply in the third quarter as government stimulus measures and exports to rapidly growing Asian neighbors fueled growth that outpaced economists' expectations.

But the latest snapshot of the world's second-largest economy also included signs that Japan still faces major problems, notably the danger of another deflationary spiral, as the official measure of price patterns fell by the sharpest rate in half a century.

Japan's 1.2% growth in gross domestic product over the previous quarter—a 4.8% annualized pace—was the country's second consecutive quarter of expansion, and marked an acceleration from the 2.7% annualized pace of the second period. It was the country's fastest growth since early 2007. That was much better than the 0.6% on-quarter growth and 2.2% annual pace of expansion expected by economists polled by Dow Jones Newswires.

The figures announced Monday by Japan's cabinet Office are adjusted for prices and seasonal factors.

The Nikkei Stock Average of 225 companies rose modestly after the report, closing up 0.2% at 9791.18.

The news follows a solid growth report from the U.S. in the August-September period, and recent news that Europe also has started expanding again. The figures suggest a broad global recovery is under way, though worries remain about sustainability, particularly in Japan, as stimulus measures wear off.

Indeed, despite the robust third-quarter report, Japanese officials said they were still concerned, and didn't intend to pull back plans for further spending to ensure continued growth.

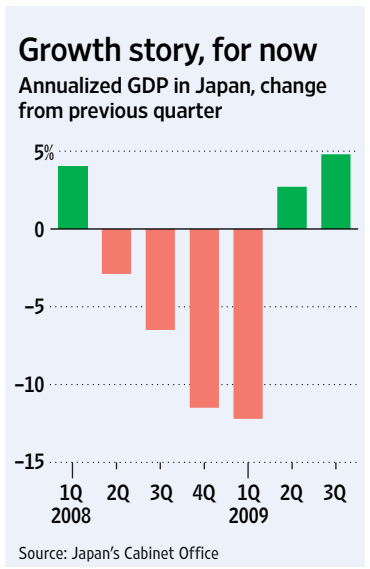
"There is no change in the severe condition of the country's economy," said Naoto Kan, the deputy prime minister. "We are concerned about whether the economy falls into a deflationary situation."

The domestic demand deflator—a measure of changes in prices of goods and services, excluding exports and imports—plunged 2.6%, the fastest pace since 1958. It was the third straight quarter of falling prices.

Another sign of concern in the report: The contribution of private consumer spending to growth slipped in the third quarter, suggesting measures to convert Japan from export-led growth to domestic-demand-led growth were facing limits.

Private consumer spending, which accounts for more than half of Japan's GDP, rose 0.7% on quarter, compared with a revised 1% climb in April-June. The consecutive increases were mainly a result of the previous Liberal Democratic Party-led government's economic support steps, including handing out cash to consumers and rebates for people buying energy-saving home electronics. The LDP was defeated by the Democratic Party of Japan in August elections, and the DPJ has said it would cut back portions of the LDP plan that leaders of the new government consider inefficient.

Monday's GDP report showed that corporate capital investment increased for the first time in six quarters, rising 1.6% after falling a revised 4.2% in April-June. But some economists expect such investments to stay weak due to concerns among company managers over the business outlook.



"On the back of still-low corporate cash flow and mounting excess capital stock, we think capital spending will remain subdued until the second half of fiscal 2010," said Junko Nishioka, a RBS Securities economist in Tokyo.

Exports rose 6.4% for two quarters in a row, reflecting firm demand from China and other Asian countries, while imports increased 3.4%. That resulted in external demand, which is exports minus imports, contributing 0.4 point to GDP growth.

But analysts said what is worrying is the domestic economy's outlook, because deflation could increase debt burdens for companies, which in turn may prompt them to reduce their work forces even further and again become reluctant to make new investments.

"Japan's GDP growth should be much slower in the fourth quarter, perhaps only half of the third-quarter rate, and faces the risk of turning negative again in the first or second quarter next year," said Toshihiro Nagahama, senior economist at Daiichi Life Research Institute.

Under such circumstances, the Bank of Japan, which will end its two-day policy board meeting on Friday, is expected to maintain ultralow interest rates and an accommodative monetary policy, Mr. Kan said.

pepsi
Proof that satisfying relationships can mean a great deal.
Working hand-in-hand with the businesses we serve and their partners, Bank of America Merrill Lynch is delivering the industry expertise, capital raising and advisory services that help get deals done. As a lead financial advisor to PepsiCo on the anticipated acquisition of Pepsi Bottling Group and PepsiAmericas, we are providing M&A advice and a debt financing commitment to help PepsiCo create new synergies for its powerful brand. Just as we can do for your company, whatever its shape or size.
Bank of America
Merrill Lynch

Pepsi and the Pepsi Globe are trademarks of PepsiCo, Inc. The Bank of America Merrill Lynch logo is a trademark of Bank of America Corporation.

"Bank of America Merrill Lynch" is the marketing name for the global banking and global markets businesses of Bank of America Corporation. Lending, derivatives, and other commercial banking activities are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., member FDIC. Securities, strategic advisory, and other investment banking activities are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, Banc of America Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, which are both registered broker-dealers and members of FINRA and SIPC, and, in other jurisdictions, locally registered entities. Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured · May Lose Value · Are Not Bank Guaranteed. ©2009 Bank of America Corporation AR95628

China starts to confront racism, discrimination

Obama visit comes at a time of unusual public dialogue on the issues

By Sky Canaves And Shai Oster

BEIJING—U.S. President Barack Obama's first state visit to China comes as Chinese are, for the first time, engaging in unusual public dialogue about racism in a country where prejudice has long been seen as a foreign problem.

In recent months, several incidents involving the children of Chinese mothers and black fathers have sparked a vigorous debate on what it means to be Chinese. While many young people here are inspired by what Mr. Obama represents in terms of ideals of equality, the reality for Chinese citizens with similar family backgrounds sometimes involves outright racism and discrimination, which in turn has led some to reflect on its sources.

Most Chinese have grown up in what is, at least ethnically, a fairly homogenous society. More than 90% of the population is ethnic Han Chinese, and there is still little public discussion of the underlying tensions that sparked anti-Han ethnic riots among Tibetans last year and among Uighurs this year.

Although China has a history of racial incidents involving ethnic-African expatriates—from large protests targeting African students in the city of Nanjing in 1988 to police detentions of young African men in the capital ahead of last year's Beijing Olympics—the existence of racial prejudice within China was almost never talked about.

But as the country's economic might grows, it is attracting more foreigners in search of opportunity, from a 100,000-strong community of African traders in Guangzhou to Middle Eastern traders in the east-coast manufacturing town of Yiwu. At the same time, changes from abroad—such as the election of America's first black president and the growing popularity of African-American basketball players in China in the past decade—have challenged entrenched stereotypes in the country much the way they have elsewhere.

The changes are prompting some Chinese to confront issues of racism and discrimination for the first time. Attitudes toward blacks have come into especially sharp relief in recent weeks, thanks to an incident involving a nationally televised talent show. One contestant on the show, called "Oriental Angel," was a young Shanghai woman named Lou Jing, who is the child of a Chinese mother and an African-American father—a relatively rare combination in China. Her participation in the show prompted a firestorm of epithets from viewers—and criticism of that reaction from others.

"Reporters were asking everybody which school they were from and what strengths they had," the 20-year-old university student recalls of her experience on the show. "But when they got to me, it was always the same question about my skin color. It made me very angry."

In China's active online discussion forums, anonymous Internet users attacked her and her mother with vulgar terms. "Her mom's got a really thick skin," read one of the tamer comments. "It may be trendy to date a foreigner, but you still can't choose a black person."

The public discussion on race and discrimination remains largely limited to foreigners and blacks.

Hung Huang, a publisher and writer who is one of China's most famous media personalities, wrote on her blog that she was distressed that, even as Americans welcomed Mr. Obama into the White House, Chinese people were still struggling to accept a young woman whose skin color was different.

"It pains me to see that a people who themselves were discriminated against by the West and called 'the sick man of Asia,' would have such short memories and start discriminating against groups that are in a disadvantaged position."

Ms. Lou says that growing up in Shanghai, she didn't feel that different among her family and friends. When dealing with strangers, she often passed as a foreigner by speaking Mandarin instead of her native Shanghainese dialect. "People would often say, 'you speak Mandarin so well.' I wouldn't explain because it's not necessary," she said.

But Ms. Lou says the "Oriental Angel" incident has caused her to question her identity. "Now I always wonder: Am I really a Chinese?" she says. "In the past, I never thought of going abroad," but now she wants to study in the U.S. or Europe after completing her undergraduate degree in Shanghai.

Hu Jinshan, a professor at the Institute of American History at Xiamen University, said there is still "extreme prejudice" in China, which she attributed primarily to insufficient contacts with diverse groups of people. "In the future it will improve. We see the example from America, and more Africans coming to China to do business."

Many young Chinese say they are inspired by what Mr. Obama represents. As China's growing wealth gap threatens to undermine one of the central tenets of Communist Party rule—the classless society—Mr. Obama is often cited as an example of individual accomplishment within a more equal society. He even gives some people hope that the U.S. may one day elect an ethnic-Chinese president.

In China's controlled media environment, the public discussion on race and discrimination remains largely limited to foreigners and blacks. It doesn't extend to China's own ethnic minorities, such as Tibetans and Uighurs, who have taken to the streets to air their grievances against Han Chinese. In those cases, the government and most people alike tend to blame the resulting violence on a small number of instigators, and refuse to look further into the homegrown sources of ethnic strife.

Jeremy Goldkorn, a white South African in Beijing who co-produced a 2006 documentary on African football players in Beijing and who runs a popular Web site on Chinese media, described the prevailing attitudes toward black people in China as "naïve racism."

—Ellen Zhu in Shanghai and Liu Li in Beijing contributed to this article.

Agence France-Presse/Getty Images

Lou Jing, right, acted recently in a television program in Shanghai. Earlier, the 20-year-old, who has a Chinese mother and an African-American father, caused a media storm when named a finalist in an 'American Idol'-style show in China.

Associated Press

In Beijing, a traditional paper-cut artist makes portraits of Obama.

[China Real Time Report]

*China Real Time Report (**http://blogs.wsj.com/chinarealtime**), The Wall Street Journal's new online resource for keeping readers in touch with the world's largest country, featured a number of recent posts looking ahead to U.S. President Barack Obama's visit to China—and a live blog on his much-discussed town-hall meeting with students in Shanghai. It also offered insight and analysis on a broad mix of other subjects, from the outlook for China's economy to a book that compares Chinese college graduates to ants. Excerpts:*

Is Barack Obama Unpopular in China?

Just last year, Obama seemed as popular in China as anywhere. A late 2008 survey by the U.S. Embassy in Beijing reprinted in China Daily showed he was popular among 75% of Internet users who responded.

Recently, however, similar polls have signaled a steep drop. In the latest issue of Oriental Outlook, an article called "Chinese people's view on Obama" indicates plummeting support. The publication conducted informal polls and interviews, resulting in a sober prognosis: After Obama slapped tariffs on Chinese products, "in many Chinese people's eyes, he hasn't been able to maintain a positive image."

A survey posted on the Web site of Global Times, a newspaper that tends toward nationalistic content, purports to show that about 86% of Internet users said they "don't care" or "don't look forward" to Obama's visit, while 46% said they "don't like Obama."

There is a mega caveat: sophisticated polling exists in China but is almost never made public, so accurate information on public opinion is elusive. Most surveys are Internet polls, which are unscientific at best.

—Ian Johnson

Goldman Sachs's Fred Hu on China's Recovery

At the China Financial Markets conference in Beijing, we interviewed Fred Hu, managing director of Goldman Sachs Group, for WSJ.com video, and asked him about the biggest challenge facing China's economic recovery. Mr. Hu's response, in part:

"The single biggest challenge is really to sustain the strong recovery that's already under way. The Chinese economy has a lot of positive momentum, but also continues to face a number of deep-rooted structural challenges: as China industrializes and urbanizes, how to ensure going forward that growth will be more driven by private-sector demand, as opposed to massive fiscal stimulus. So that requires the confidence of private investors to stay at a high level. It also requires the financial system to reconfigure to support private-sector investment and growth. It also requires Chinese households to have the confidence to spend on both nondurable and durable goods, as well as other types of expenditures. Altogether, it means that China will have to fundamentally overhaul the type of growth model that has been mostly export-led, which has served China very well for the past two or three decades."

—Jason Dean

BYD's Wang: Upward Mobility in China

Chinese auto and battery tycoon Wang Chuanfu has had quite a ride.

Wang, the chairman of BYD Co., was named China's richest individual this week by Forbes magazine, which cited his net worth at $5.8 billion. He grew up anything but wealthy in Anhui province and went to college only after the encouragement and support of his older siblings, who also helped to raise him.

"Both of my parents were farmers; they planted rice," Wang told The Wall Street Journal last year. "I was about 10 years old when my father died, and I was 15 or so when my mother passed away."

—Norihiko Shirouzu

China's Graduates: An Ant's Life

What do Chinese college graduates have in common with ants? The recent book "Ants Tribe," about some young people who flock to Beijing post-university, depicts them as smart but insignificant as individuals—like ants—drawing strength from living together in communities.

The book, based on two years of interviews with about 600 low-income graduates, came out in mid-September, before a Ministry of Human Resources and Social Security announcement that 74% of the 6.11 million new graduates from China's universities and colleges were employed by Sept 1.

For the book's chief editor, Lian Si, a professor at the University of International Business and Economics in Beijing, that statistic says little about the real situation for many graduates. "I am always wondering how many of these employed college graduates are leading a decent life," Lian said. "I hope this book could offer a window on these graduates, whose stories are rarely known."

—Sue Feng

The economy is up. Your delivery costs don't have to follow.

Now you can ship more and spend less. Use FedEx International Economy® for your less time-sensitive shipments to save money without compromising on quality and reliability.

FedEx delivers to a changing world.

experience.fedex.com/market

FedEx® Express

Kabul makes anticorruption effort

Special task force, created in response to pressures from Western allies, will investigate graft by high-level officials

By Anand Gopal

KABUL—In response to pressure from Washington and its allies, Afghan authorities announced new anticorruption measures, unveiling a special task force that will investigate graft by senior officials.

"This force will make sure no high-ranking official who is involved in corruption will go unpunished," said Interior Minister Hanif Atmar, speaking as he stood alongside the U.S. and British ambassadors to Kabul. The new body will receive training and support from the European Union and the U.S. Federal Bureau of Investigation, officials said.

The task force, which began operating in recent days, has already netted three high-ranking government officials and charged them with stealing money meant for the families of policemen killed in the line of duty, said Amrullah Saleh, chief of Afghanistan's National Directorate of Security. He didn't identify the detained men beyond saying that one of them was a general.

Widespread government graft in Afghanistan has fueled popular discontent in recent years, invigorating the Taliban's resurgence. Independent watchdog Transparency International has ranked the nation as the fourth most corrupt out of the 180 countries in its recent survey.

Associated Press

Police officers search cars entering Kabul on Monday, as the Karzai government announced steps to fight graft and drugs.

Police officers and other low-ranking public servants often demand bribes for basic services, while senior officials are often accused of misappropriating public funds.

Anticorruption groups have alleged that several high-ranking Afghan officials close to President Hamid Karzai, including his brother Ahmad Wali Karzai, chief of the provincial council in Kandahar, control organized-crime networks. Ahmad Wali Karzai has denied such accusations.

In recent weeks, leading U.S., European and United Nations officials issued blunt warnings on graft to President Karzai, who won a fraud-marred election in August and is scheduled to be inaugurated on Thursday.

As Washington debates whether to inject more troops into the country, a critical question is whether the U.S.-led coalition will have a credible partner in the Afghan government. President Barack Obama has cautioned that continuing American support for Kabul will depend on how seriously Mr. Karzai cracks down on corruption.

While Mr. Karzai has acknowledged a problem with graft, he and other government officials have tried to turn the tables on the West. They accused foreign companies and aid groups of fostering corruption in the country.

"Hundreds of millions of dollars are wasted in fraudulent contracts with international companies," said Sebghatullah Sanjar, the Afghan president's chief policy adviser. "Why doesn't the international community do anything about this, and instead just focus on the corruption from our side?"

It isn't clear how willing the newly established government anticorruption task force will be to go after senior-level fraud, independent analysts caution. "If they want to fight corruption, they should establish an independent commission," said Waheed Muzjda, a Kabul-based political commentator. "So many of these ministers and other officials associated with Karzai have questions of credibility as well."

U.S. is set to open new Afghanistan prison

By Alan Cullison

BAGRAM AIR BASE, Afghanistan—Officials have unveiled a new $60 million detention facility at the main U.S. air base in Afghanistan and promised greater transparency at a prison where Afghans have long suspected hundreds of their countrymen are being held for dubious reasons.

The new prison and the pledge to open the inmate review process come as the U.S. Department of Defense worries that abuses and militant recruiting within Afghan prisons are helping strengthen the Taliban. A Pentagon review earlier this year called for a broad overhaul of the Afghan penal system, as well as of the U.S.'s prison at Bagram Air Base.

The old Bagram prison is housed in a Soviet-era machinery hangar.

The old Bagram prison is housed in a Soviet-era machinery hangar. Critics of the old prison, where two inmates died after being interrogated in 2002, have referred to it as "Obama's Gitmo."

"Detention, if not done properly, can actually harm the effort," said Brig. Gen. Mark Martins, who is in charge of detention facilities at Bagram. "We think transparency is certainly going to help the effort, and increase the credibility of the whole process."

Officials said they will close the old Bagram prison by the end of the year and move its inmates to the freshly painted new facility several kilomters away on a different portion of the air base.

They will also throw open the doors of administrative hearings in which inmates are assessed for their readiness to be released. Inmates will generally appear before a military tribunal every six months and argue for their release with the help of counsel appointed by the military. The hearings will be open to outsiders, including nonprofit groups and journalists, Gen. Martins said.

Human-rights groups praised the move to open the hearings; in the past, inmates often weren't permitted to attend their hearings. But the groups said the tribunal is still a far cry from an impartial criminal court where an inmate can argue his case for freedom.

"It's actually still very similar to what prisoners were offered in Guantanamo," said Rachel Reid, Afghanistan researcher for Human Rights Watch. "Inmates are still not allowed a lawyer, and have to rely on a military representative appointed to them."

Gen. Martins said the prison, now staffed by U.S. military police, will gradually be handed over to Afghan staff. He declined to say whether a full transfer to the Afghan government would take place in a matter of months or years. He called the opening of the prison and the moves toward a transfer "modest but important steps forward."

Adam Ferguson for The Wall Street Journal

A U.S. officer shows a holding cell in the newly built Parwan detention facility in Bagram, Afghanistan, on Sunday.

Human-rights workers and Afghan politicians have called for U.S. prisoners to be turned over to the Afghan court system. But with those courts shot through with corruption and the prisons in a state of squalor, U.S. officials say they first would like to see a revamp of the Afghan criminal-justice system.

The new prison, which U.S. officials are tentatively calling the "Detention Facility in Parwan," will house about 700 inmates, mainly people captured by U.S. forces in fighting in Afghanistan.

Mindful that a surge in U.S. troops could lead to a wave of new inmates, officials say they can hold as many as 1,100 people at the prison and still keep conditions within international norms. The prison will house most of its inmates in three buildings containing dormitory units. A fourth building, with individual cells, will help segregate extreme Islamists from the larger prison population.

The new prison is similar in its layout to a U.S. prison, and has an infirmary, exercise yards and a vocational training center where inmates will be able to learn skills such as tailoring, agriculture, and masonry. The prison has retained the services of a mullah, who officials say will introduce inmates to moderate Islam.

JW MARRIOTT®
HONG KONG

THE RENEWED JW MARRIOTT HOTEL HONG KONG

Welcome to our new surroundings that have been redesigned for pure performance. With Hong Kong's first Wi-Fi equipped limousine service, the brand new tech-savvy Executive Lounge to a comprehensive guestroom renovation boasting chic new décor, connectivity hubs and flat-screen LCD TVs, you'll be left free to think, plan and truly transform.

jwmarriotthongkong.com
Pacific Place, 88 Queensway, Hong Kong
Tel: (852) 2810 8366 E-mail: jwmarriott.hk@marriotthotels.com

BUSINESS TRANSFORMED

Fed chief sees growth

Bernanke says improving U.S. economy to help ensure dollar's strength

By Luca Di Leo

The U.S. economy will continue to grow in 2010 and the underlying strength of the world's largest economy will help ensure the dollar stays firm, Federal Reserve Chairman Ben Bernanke said Monday.

In a rare move, the Fed chairman also spoke about the dollar, which has fallen in value recently as financial markets have improved and investors no longer sought the safety of dollar assets.

Mr. Bernanke said jobs are likely to remain scarce and inflation low.

"Our commitment to our dual objectives [of maximum employment and price stability], together with the underlying strengths of the U.S. economy, will help ensure that the dollar is strong and a source of global financial stability," Mr. Bernanke told the Economic Club of New York.

Mr. Bernanke said the central bank will keep a close eye on the dollar's recent slide, but at the same time reiterated that the key federal-funds target rate is expected to remain at record lows for some time because of the fragile recovery.

To lift the dollar's value, the central bank would need to raise rates, thereby increasing the return investors get on dollar assets. However, that could hurt the economy's recovery, which Mr. Bernanke cautioned was threatened by weakness in the labor market and tight bank lending.

"I expect moderate economic growth to continue next year. Final demand shows signs of strengthening, supported by the broad improvement in financial conditions," Mr. Bernanke said.

Ben Bernanke

Giving his first official speech since the Fed voted Nov. 4 to hold interest rates at a record low in a range from zero to 0.25%, Mr. Bernanke said jobs are likely to remain scarce and inflation low for some time.

The central bank said it expects to keep rates close to zero for an "extended period" in the face of high unemployment and low inflation.

For the first time, the Fed's rate-setting committee earlier this month spelled out the three key indicators it will be looking at to set rates: unemployment, core inflation and inflation expectations.

"Both the decline in jobs and the increase in the unemployment rate have been more severe than in any other recession since World War II," Mr. Bernanke said.

The U.S. economy is slowly recovering from its worst recession since the Great Depression. Although the economy expanded in the third quarter for the first time in more than a year, the recovery remains fragile, with unemployment at a 26-year high of 10.2% in October.

Data released Monday showed some signs of economic improvement. U.S. retail sales increased 1.4% in October on rebounding demand for cars, easing fears of the toll rising unemployment might take on the recovery.

Sales of autos and parts rebounded in October, up 7.4% after a September drop of 14.3% with the expiration of the government "cash for clunkers" incentive program to boost car sales.

But September sales were revised down, to a 2.3% decrease from a previously estimated 1.5% fall. And aside from automobiles in October, sales rose just 0.2%. It was the third increase in a row, yet smaller than the 0.4% climb predicted by economists.

Another report said U.S. business inventories in September fell 0.4%, less than the 0.8% drop expected. *—Jeff Bater contributed to this article.*

THE MOST INTERESTING PEOPLE ARE ON CHARLIE ROSE
AND CHARLIE ROSE IS NOW ON BLOOMBERG TELEVISION®
Bloomberg TELEVISION
bloomberg.com
CHARLIE ROSE 7PM WEEKNIGHTS HONG KONG/SINGAPORE

In Afghanistan, a question of when, not how many

[Capital Journal]

Gerald F. Seib

Policy arguments in Washington sometimes take on an other-worldly feel—and so it is with the public wrangling over Afghanistan policy.

Outside the walls of the Obama administration, the argument has been almost entirely about numbers: How many additional troops should be sent to Afghanistan? Should it be 10,000, 20,000 or 40,000? But inside the Obama administration, say those who actually have been involved, the debate has relatively little to do with troop levels. Instead, it has much more to do with ensuring that the American troop buildup, whatever its size, isn't open-ended.

The key for President Barack Obama, these people say, is having a plan that ensures the American presence is a prelude to, rather than a substitute for, Afghanistan taking over the security job itself. The goal is for American troops to reverse the rise of Taliban strength in the short term, buying time for Afghan President Hamid Karzai to build up security and police forces that can take over while American forces phase out.

The internal discussion, in short, is less about the size of the entrance ramp than the location of the exit ramp.

Seeing the debate this way helps decode what seem to be the riddles in the Obama administration's long pause for a policy review before deciding what steps to take next. President Obama ordered a rethink because he feared the military plan for a buildup, whatever its other virtues, seemed open-ended.

This summer's Afghan presidential election, marred by evidence of corruption, threw a big wrench in the works because it suggested President Karzai wasn't taking steps to gain the legitimacy needed to take over his own security portfolio. (Monday's announcement that Mr. Karzai is forming an anticorruption unit, by contrast, shows he might be getting the message.)

And last week's much-publicized cables from Karl Eikenberry, the American ambassador to Afghanistan, which expressed skepticism about a troop buildup, were less a statement opposing more troops than a declaration of concern that if the U.S. does too much on the security front, President Karzai's interest in doing more for himself might atrophy.

The goal in the rethink, then, is to put in place a specific plan for an Afghan force buildup that moves directly parallel to a new American military push against the Taliban. And a crucial, but little-noticed, adjunct of that strategy requires making sure that next-door-neighbor Pakistan steps up the pressure on the Taliban and al Qaeda elements that use its territory as a safe haven for their operations in Afghanistan.

On that front, the problem is that Pakistan has great interest in clamping down on the Taliban factions that target the Pakistani government—but relatively little interest in worrying about the Taliban elements that target Afghan's government next door. That needs to change, which is a big reason Gen. James Jones, President Obama's national security adviser, made a quiet trip to Pakistan over the weekend.

Constructing such a two-track Afghan policy—American troops in while Afghan forces bulk up—may sound easy, but in fact it's quite hard. It requires talking tough to President Karzai without alienating the very man who is the essential partner in the entire enterprise. Indeed, the administration may well have over-done the bad-mouthing of Mr. Karzai, weakening the very Afghan leader it now must depend upon.

The strategy also faces a profound practical problem: Poor Afghanistan simply can't afford to sustain the kind of robust security force the administration desires. Years of American aid in the billions likely will be needed to pull off that feat.

But the most insidious problem is that setting hard timetables for a military withdrawal almost inevitably aids the enemy. Departure schedules, if known publicly, simply make it clear how long the bad guys must endure to simply outlast rather than defeat the Americans. That's why military leaders blanch at the thought of setting precise timetables.

So can the U.S. build up while also setting the stage for an eventual wind-down?

One who says yes is Brett McGurk, who served on the National Security Council staff of President George W. Bush and, until recently, President Obama. Mr. McGurk argues that success is possible because he helped pull off something very similar in Iraq.

In Iraq, the 2007 "surge" of U.S. forces unfolded alongside a painstaking process of negotiating a security agreement with the Iraqi government, laying out not just the role of American forces but a timetable for their withdrawal. "The surge is now called the surge," Mr. McGurk says. "But internally in Iraq, when we were talking about it, we called it the bridge"—as in, the bridge to an Iraqi takeover.

There are, of course, huge differences between Iraq and Afghanistan, Mr. McGurk notes, the key one being that Iraq's government wanted American troops to phase out, while in Afghanistan "almost all the political actors want us to stay."

Still, "on the core question, they're not that different," Mr. McGurk says. "The trajectory of the conflict was going south, the host nation was seen as too weak. But at the same time we had to talk to the Iraqis about what our strategy was going to be." Indeed, the leader the U.S. had to work with in Iraq, Prime Minister Nouri al-Maliki, was seen as lacking the strength the U.S. needed. But that changed over about a year's time. Maybe, just maybe, Iraq showed it's possible to see an entrance and exit ramp at the same time.

Auto industry might shrink further

For many global industry watchers, there is a solution that is simple but painful: more car brands have to die

[The Outlook]

By Matthew Dolan

Gothenburg, Sweden

Over the past two years, the global auto industry has endured one of the worst downturns in its century-plus history. Auto makers around the world have consolidated, restructured and slimmed down—and yet they still have too much of just about everything, especially too many brands and too many plants.

According to CSM Worldwide, the auto industry has enough capacity to make 85.9 million cars and light trucks a year—about 30 million more than it is on track to sell this year, the equivalent of more than 120 assembly plants.

It also means the industry is utilizing just 65% of its available production capacity. Global auto sales are expected to grow by 25 million vehicles over the next six years, but even with that increase, CSM predicts that industrywide capacity utilization will barely reach 85% by 2015.

For many industry watchers, the solution is simple but painful: More brands need to die.

The current downturn "should be an opportunity for rationalizing capacity and some of the brands going away," said Mark Fulthorpe, director of European vehicle forecasts for CSM Worldwide. "Instead, we're rearranging the furniture here. No real big decisions are being taken."

Other industries—computers and consumer electronics, for example—have experienced waves of consolidation that weed out weaker players and leave stronger companies more profitable. But for years the auto industry has struggled to correct the excess of nameplates and manufacturing capacity that keeps pressure on the industry's profit margins.

Most governments are rarely willing to let auto companies go out of business, even ones that are barely competitive. They see car companies as a strategic piece of their manufacturing base and rush in to provide aid, allowing weaker companies to live on in order to save jobs.

Another factor: Plenty of emerging auto makers with lofty ambitions are ready to take over declining brands in hopes of getting access to new technology, markets and established brand names.

That very scenario is playing out in the fates of Saab and Volvo, two Swedish auto makers that are in the process of being sold, respectively, by **General Motors** and **Ford Motor.**

In an industry built on economies of scale, neither is big enough to survive on its own. Saab is on track to sell fewer than 100,000 cars world-wide this year, and Volvo about 325,000. That is less than the annual sales of a single Toyota Motor model—the Camry—in the U.S. alone.

Yet neither Saab nor Volvo is going away. With aid from the Swedish government, Saab was taken over by a financial firm, **Koenigsegg Group**, which in turn partnered with China's **Beijing Automotive Industry Holdings.** Ford is in talks to sell Volvo, which is based here, to another Chinese auto maker, **Geely Holding Group**.

Bringing in new owners, even ones with deep pockets, doesn't guarantee salvation. In the '90s, BMW spent billions and failed to save Rover, the British car maker.

In 2008, India's **Tata Motors** bought the Jaguar and Land Rover brands from Ford, but it has been a rocky road so far. Their sales have continued to fall, and for the quarter ended June 30, the parent company posted a loss of $67 million, compared with a profit of $147 million for the period in 2008. Jaguar and Land Rover were the chief reason, losing a combined $100 million in that quarter.

Similar themes are playing out elsewhere. Besides handing off Saab, GM is also selling its Hummer division, to a Chinese heavy-equipment company. In one rare instance where auto nameplates will disappear, GM is turning the lights out on its Pontiac and Saturn brands.

Saab and Volvo face long odds for a comeback. Once design and safety leaders, they have lost their edge, with Volvo only recently announcing plans to manufacture a plug-in hybrid and other car makers matching Volvo's vaunted safety record.

GM has said Saab has only one profitable year in the past 12. In an interview, Saab managing director Jan Ake Jonsson contested that view, saying it is unclear whether GM was including profits from parts Saab distributed for GM. Still, he acknowledged, "it is almost impossible to state whether this brand makes money or not." Volvo's CEO, Stephen Odell, said his company doesn't need economies of scale from a company like Ford to be profitable, if the brand forms a substantial joint venture with another company or a collection of alliances with other manufacturers in key markets.

"We're not a fire sale," Mr. Odell said. "This is not really anything to do with Volvo. It's more to do with how Ford sees its portfolio."

Re-emphasizing safety and environmental friendliness using a minimalist Swedish design, Volvo has "a different way to approaching a premium sector that ultimately will recover," he said. But Mr. Odell couldn't say when he expected the brand to return to sustained profitability.

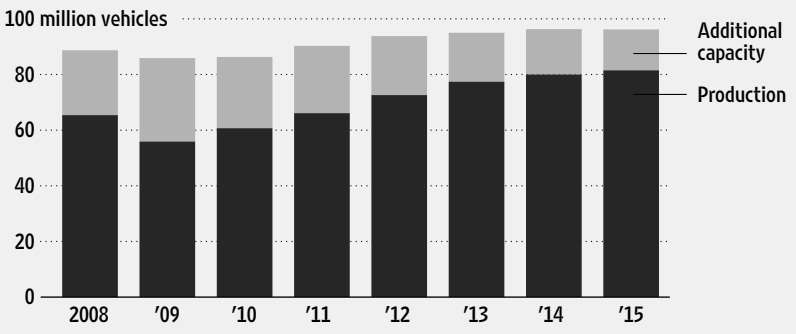
John Casesa, a veteran Wall Street auto analyst who now heads his own advisory firm, said government intervention to save auto-related jobs has forestalled the inevitable—broad and deep restructuring that would shut down unneeded plants and close loss-making enterprises. "Not as much capacity has come out that should have," he said.

The upshot is that the auto industry is coming out of its slump leaner, but not as lean as it could or perhaps should be.

Employees at the Volvo factory in Gothenburg, Sweden, on Thursday.

Too much room

Global auto-industry capacity is outstripping production demand.



Note: 2009 data and later are forecasts
Sources: CSM Worldwide (chart); Bloomberg News (photo)

Get the inside story on the telco industry

THE telecom CHANNEL

Your Inside View of the Telecom Industry

The Telecom Channel
Telecom Asia's new video news site on our industry-leading website telecomasia.net

Check out The Telecom Channel to find out:
- What **Ericsson's Director of Broadband** for SE Asia says about rolling out fiber in the region
- How **Telecom Italia** got next-gen SDP up and running
- What **Juniper** expects for future high-speed networks

Take a look at *www.telecomasia.net/thetelecomchannel*

telecomasia QUESTEX MEDIA

Businesses strive to retain valued workers

Employees cite pay and benefits as most crucial and might consider leaving as labor market improves

By Sarah E. Needleman

Many employers and employees don't see eye to eye on what keeps workers happy, a disparity that could spell trouble for businesses as the economy recovers.

Employers consider management climate and workers' relationships with their bosses as most important, but employees cite pay and benefits, according to a survey last winter by **Spherion** Corp., a Fort Lauderdale, Fla., staffing firm. Respondents included 306 human-resources managers and 2,519 employees at firms of all sizes. Surveys conducted in 2007 and 2005 generated the same topchief results.

Tucker Callaway, a sales director at **CA** Inc., says compensation was a big factor in his decision to join the software maker in April. He also cites poor morale and a lack of leadership at his former employer, another technology company.

Mr. Callaway, 34, says CA gave him a 20% raise. "I have a mortgage and two kids, so pay is extremely important," he says.

Community Options Inc.

Robert Stack, center, CEO of nonprofit Community Options Inc., at the New York Stock Exchange.

Workplace experts say many workers have grown frustrated during the recession and might consider leaving as the labor market improves. Employees are less committed to their employers, according to an annual survey by consulting firm **Watson Wyatt Worldwide** Inc. and WorldatWork, an association of human-resource professionals. Results were based on responses by 1,300 workers at 235 large U.S. firms in May. Commitment dropped most among top performers, according to the survey.

History suggests some of these workers will look elsewhere as the economy improves. So far this year, fewer workers have quit jobs than at any time since the U.S. Labor Department began tracking the data in 2000. But the number of workers quitting jobs jumped 34% between July 2003 and December 2006, during the expansion that followed the prior recession.

"There's going to be a lot of churn in the rising labor market," says Fred Crandall, a senior consultant for Watson Wyatt.

That could be a problem for many employers, who kept strong performers while weeding out weaker players during the recession. "Now you know who your best people are," says Jeffrey Jolton, an organizational psychologist at **Kenexa** Corp., a provider of human-resources services and technologies. "When the market opens up, you don't want them running out the door." Dr. Jolton recommends employers strive to reward top performers financially and publicize plans to reverse any recent cuts in pay and benefits.

If employers can't afford to boost pay, he suggests firms devise alternatives, such as offering workers more scheduling flexibility or more say over assignments.

Some employers have intensified retention efforts. Spherion this year and last canceled management raises but awarded managers restricted shares, redeemable in 2011, said Roy Krause, chief executive. "I'm giving future benefits to offset the lack of increases today," he said.

Aspect Software Inc. is opening up to gain employees' confidence. Earlier this year, the closely held Chelmsford, Mass., technology company laid off an undisclosed number of workers and cut salaries by 10% for two pay periods in March.

In July, Aspect began inviting groups of 10 employees to breakfast meetings with top executives. Lisa Sylvester, a senior financial analyst, says she was reassured by the session. "You feel like you're part of a bigger picture," she says.

Aspect also altered its telecommuting policy to appeal to employees worried about work-life balance, says Marsha Stephens, senior director, human resources. Today 473 of Aspect's roughly 1,700 employees work remotely, compared with around 100 before. The company also doubled to 40 the number of employees awarded bonuses of $250 to $1,000 each quarter for outstanding performance.

Executives at **Community Options** Inc., a Princeton, N.J., nonprofit that helps people with disabilities find housing and employment, also are reaching out more to employees. Earlier this year, the group suspended raises and most management bonuses. Chief Executive Robert Stack says he has spent nearly twice as much time in the past year meeting the group's 2,500 employees and soliciting feedback. Based on one suggestion, he plans to strengthen training programs for junior managers who aspire to be executives.

"We will not retain our staff if we can't get them to believe in us," Mr. Stack says. "If you value your employees, their trust will grow and they will not look around for another position."

Career Opportunities

CAREERS

Overseas Recruitment Program 2010
Reserve Management Department, SAFE

We are an official institution under the ***State Administration of Foreign Exchange (SAFE)***, responsible for China's foreign exchange reserve management. We are now looking for high caliber professionals who share our commitment to "professional, responsible and international" asset management to join us.

Our Culture

Composed of young, qualified and motivated staff from diversified academic backgrounds of finance, economics, engineering, maths, computer science, languages and human resources etc., we embrace "Dedication, Discipline, Enterprise and Cooperation" as our core value and we attach utmost importance to the safety, liquidity, diversification and return of reserve assets under our management.

Vacancies

Currently, we have the following job vacancies, based in Beijing headquarter and overseas offices: portfolio management, transaction execution, manager of managers, research and analysis, system development, operations and legal consultation.

Requirements

1. Bachelor, Master or PhD degree from world renowned universities;
2. Over 2-year working experience with renowned overseas financial institutions;
3. Good command of both Chinese and English as working language;
4. Computer proficiency;
5. Other criteria specific to the vacancy.

Application Procedures

1. Please visit the website of **safe.chinahr.com** (available from 4th November,2009) to submit your CV and cover letter;
2. Application Deadline**: December 4th,2009 (24:00 Beijing Time);**
3. Short-listed applicants will be invited to interview after documentation screening;
4. New recruits will be required to sign Employment Contracts (with probation) in accordance with Chinese and local regulations.

Contact

Tel: 86-10-66218899 ext. 3073 (8:00-17:00 Beijing time)
Fax: 86-10-66213319
Email: HR@mail.rmd-safe.gov.cn (recommended)

Getting back to school while working full time

By Diana Middleton

Business-school applicants in the U.S. have to juggle their real-world work and family commitments with tests, tedious applications and dozens of essays. It can be difficult to figure out when to apply—and when to tell the boss you might be leaving. Here's how to handle M.B.A. application season:

■ **Choose your application round carefully.** Most schools have several windows in which applicants can apply. The key is to zero in on your top choice and work on that application before the others, says Stacy Blackman, founder of Stacy Blackman Consulting, which coaches individuals during the M.B.A. admissions process. But don't wait until the third round to apply to a school you're serious about. By that time, schools are looking for very specific types of people to round out the rest of the class, says Jennifer Hayes, senior associate director of admissions at Northwestern University's Kellogg School of Management.

■ **Break the news to your employer.** Applicants with letters of recommendation from a current employer are much stronger than those without. Ideally, you have discussed your long-term goals with your employer, so this won't come as a surprise. Ms. Blackman recommends telling your supervisor about your ambitions two years before you apply. However, if you feel as if sharing your goal will endanger your employment, include an additional letter addressed to the admissions committee explaining your concerns.

■ **Work harder in the office.** Truth is, not every applicant will get into their dream school. Scott Shrum, director of M.B.A. admissions research of Veritas Prep, an admissions firm in Malibu, Calif., suggests finding ways to make your candidacy even stronger while waiting for a final answer. If there's a new workplace project that needs a leader, volunteer. It will give you more to talk about if you make it to the personal interview at your choice schools, says Mr. Shrum.

■ **Prepare for the interview.** You should count on spending three weeks preparing for each interview, Mr. Shrum says. That includes checking online forums to familiarize yourself with the specific questions each school tends to ask and studying the details of your application. Even if the interviewer has only a copy of your résumé, rest assured he or she is familiar with your application and will have questions regarding career changes or a spotty résumé.

■ **Plan your exit.** When the acceptance letter comes, you have anywhere from four to six months to plan a departure. If your employer isn't already aware of your plans, ask for a meeting to explain. Offer to finish any significant projects and to train your replacement, says Ms. Blackman. Work out a clear transition plan. This will leave your employer happier—and more likely to offer a positive reference. "Document all your work, make sure the files you leave behind are easily accessible," she says.

Seeking fortunes in China's hands

IPhone's debut offers opportunities for app developers

By Juliet Ye

Less than a month after **Apple** Inc.'s official launch of its iPhone in China, Internet companies big and small are racing to offer the nation's hot new app.

Winners so far include practical applications for getting around town and translating Chinese into English; games that let users mine gold for profit or fight the Soviets in an alternate-history Europe; and even software for finding soul mates.

But China presents unique challenges. IPhones there currently lack WiFi wireless Internet capabilities. Language and cultural issues plague distribution. While China already has an estimated two million iPhones in circulation, the vast majority are "jailbroken"—meaning they operate off the iPhone's official **China Unicom** Ltd. 3G network—and are more likely to download pirated apps.

"We know perfectly well that Chinese market is huge and has great potential. But when we release apps targeting users here, we're usually not able to get reasonable returns because of piracy," said Shi Weixing, founder and chief executive of Chinese mobile application company **9thQ**.

The market for legitimate Chinese iPhone apps is small but surging. Mr. Shi's company estimates about $1 million worth of legitimate iPhone apps have been sold so far this year, though the market could reach $6 million by next year. By comparison, mobile advertising firm AdMob says about $200 million in apps are sold overall through Apple's store each month.

"Once Wifi is allowed on future 3G iPhones and the price of handsets falls due to product life cycle, more subsidies or economies of scale, we will see the iPhone market in China go mainstream," said Frank Yu, chief operating officer for Beijing-based **Shouji Mobile**, which designs apps.

Major Chinese Internet giants have entered the fray. Top Web portal Sina.com offers apps that provide news updates and lets users update their blogs. **Tencent Holdings** Ltd., the Internet company that runs the popular Chinese instant messaging system QQ, also offers QQ for iPhone users in and outside China. A number of English-language Western apps also are popular, including **Electronic Arts** Inc.'s Command & Conquer game and **Quickoffice** Inc.'s office software.

Meanwhile, some Chinese developers have come up with apps that have proven popular outside the mainland. Beijing-based **Colorme Info Tech** Co. says it makes monthly revenue of 400,000 Chinese yuan, or $58,600, from Gold Miner, an English-language prospecting game.

"We have to consider what kinds of games are appealing to users from the West and the East," said Mao Guangcan, Colorme chief executive. "Sometimes, games we developed for Western users turn out to be bestsellers in app stores in China."

Payment method poses a growth barrier. Apple's App Store requires a credit card issued by a Chinese bank, which is still not yet commonplace, said Shouji's Mr. Yu.

Right now, most of the apps and their instructions are in English, with prices in U.S. dollars instead of Chinese yuan. By contrast, pirate app Web sites have detailed instructions in Chinese on how to download content from pirate servers. Apple has recently added more Chinese language instructions.

"Localization is most important. Products should be as much in line with Chinese lifestyles as possible," says Mr. Shi, who noted Texas Hold 'Em games likely wouldn't go over well.

HOROSCOPE—PAST, PRESENT, FUTURE
Developer Rico Co.
Price $18.99
This app—the name above is a rough translation—takes the guesswork out of personal relationships, allowing the user to judge two people's compatibility and determine their destinies based on birth dates.

WORLDCARD MOBILE CHINESE VERSION
Developer Penpower Technology Ltd.
Price $19.99
Description The software allows an on-the-go businessperson to capture and recognize business cards and claims to recognize simplified Chinese, traditional Chinese and English.

LRC PLAYER
Developer Jacky Ma
Price $1.99
This Chinese-language music player offers lyrics and can search for them on the Internet when they're not at first available.

POWERWORD 2.0 PROFESSIONAL EDITION
Developer Beijing Kingsoft Software Co.
Price $4.99
An iPhone version of one of China's most popular English translation software packages, with the ability to translate whole sentences.

Photos from Apple Computer

TECHNOLOGY

MILLIONAIRE TYCOON
Developer Savy Soda
Price 99 cents
Appropriately popular in newly affluent China, the multiplayer game allows users to seek their fortunes in a number of real cities—including Hong Kong, home of a few real millionaire tycoons.

AUTONAVI NAVIGATION
Developer AutoNavi Information Technology Co.
Price $9.99
At the moment, AutoNavi is the only Chinese navigation software available on the mainland's App Store. Currently, it stands as the Chinese store's top revenue-generating app.

GOLD MINER 2
Developer Colorme Info Tech Co.
Price $1.99
Another game for aspiring capitalists, Gold Miner 2 lets a prospector reel in subterranean loot with a grappling claw. This is the iPhone version of a computer game that has long been popular on the mainland.

NEED FOR SPEED UNDERCOVER
Developer Electronic Arts
Price $4.99
The Western game is popular with Chinese players hoping to crack down on crime from behind the wheel of a really fast car.

Photos from Apple Computer

MY READER
Developer Colorme Info Tech Co.
Price $1.99
This mobile-reading software allows users to take advantage of the number of Chinese and English books available free online.

IXPENSEIT
Developer FYI Mobileware Inc.
Price $2.99
This is the Chinese version of the popular expense-tracking software, for traveling executives hoping the company will pick up that night on the town.

Miguel Gonzalez Jr./The Wall Street Journal

Bazaar: Hong Kong

What they're buying at Asia's gadget emporiums

The place Worldgate Technology Co., Wan Chai Computer City, Wan Chai, Hong Kong

The goods Plantronics Discovery 975 Bluetooth headset

The specs Beyond its minimalist design and dual-microphone technology that captures voice and cancels background noise, the latest offering from Plantronics also features a carrying case that recharges the device and triples talk and standby time.

The price 1,098 Hong Kong dollars (US$161)

The deal The Worldgate salesman said the headset has been selling briskly since its arrival at the end of the summer. Though he didn't budge on the price, Bazaar would bet there's room to maneuver, as the Plantronics Web site lists a manufacturer's retail price of $129.99—though the site's shop doesn't ship outside the U.S.

—Miguel Gonzalez Jr.

A Dollar Warning From Asia

The U.S. Federal Reserve may think it's running monetary policy in a domestic vacuum, but the excess dollars flooding the global economy are starting to have serious consequences for the rest of the world. Nowhere is this more evident than in Asia-Pacific, where much of that money is heading—and where leaders are crying foul.

It is in many ways a natural bet. Asia's fiscal houses are in far better shape than the U.S., where the budget deficit hit an all-time high of $1.42 trillion at the year ending September 30. Many of these economies are formally or informally pegged to the greenback, so they are getting an extra dollar liquidity kick.

As a result, Asia's stock markets are outstripping U.S. and European bourses by a country mile as the greatest carry trade in decades takes hold. Shanghai alone is up nearly 80% this year-to-date. Hong Kong property is climbing through the roof, with one recent apartment sale mooted at $57 million. Foreign investors are even getting enthusiastic again about one of the most corrupt emerging markets around—Indonesia—and dubbing it the "new China." The risk is more asset bubbles and misallocation of global capital.

This Fed-driven joy ride isn't going unnoticed in Asia's capitals. At an economic conference in Singapore, Hong Kong chief executive Donald Tsang—a former finance minister—said Friday he's "scared" of the Fed's historic easy money policies, which he compared to Japan in the 1990s. China's top banking regulator, Liu Mingkang, chimed in Sunday, fingering the Fed's binge as the main cause of "massive speculation." Officials from the Philippines and Thailand also expressed concern.

In response, the Obama Administration is trotting out an updated if more subtle version of Nixon-era Treasury Secretary John Connally's famous quip that the dollar may be "our currency," but it's "your problem." In an op-ed on these pages last week, Treasury Secretary Tim Geithner called for a "strong dollar" but also for "market-oriented exchange rates."

This mantra from the George W. Bush era has come to be understood as code that the Treasury wants a weak dollar. President Obama reinforced that message in Tokyo Saturday when he called for "balanced trade," which suggests a weaker greenback to spur U.S. exports. In response, gold, a dollar hedge, hit an all-time high yesterday.

This is a dangerous game that could result in some serious economic policy mistakes, not the least of which is the imposition of capital controls as countries try to stem the incoming tide of "hot money." Brazil did this last month, and Taiwan followed suit last week, freezing foreign investors' ability to place money in time deposits. Other countries may be tempted to` follow.

This kind of thinking impedes the march toward capital liberalization that so many developing economies desperately need. Taiwan, with its partially convertible currency, is a case in point: If anything, Taipei needs to create more places for foreign investors to put money, not fewer.

There is also the risk of a serious political backlash if countries conclude that the U.S. is trying to devalue for the sake of increasing its exports—in effect, stealing demand from the rest of the world. The last thing the world needs is beggar-thy-neighbor competitive devaluations, just as the global economy is getting back on its feet.

That's the message President Obama will hear in China this week. As the region's main exporter, China has tried to keep its currency stable against the dollar. But it's facing a flood of hot money as investors bet that Beijing will buckle under U.S. pressure and revalue the yuan.

As long as the dollar is the world's reserve currency, the Fed has to understand it is running monetary policy not merely for the U.S. but for the dollar bloc, which includes a major chunk of the world. It needs to coordinate policy better with the world's major central banks to avoid excessive currency swings and the costs they impose.

Above all, Asia is telling the U.S. that its central bank needs to run a more cautious policy that will lead to fewer financial distortions and increase the chances that the fragile global recovery will turn into a durable expansion.

Obama's Health Care Rationing Commission

As usual, the most dangerous parts of ObamaCare aren't receiving the scrutiny they deserve—and one of the least examined is a new commission to tell Congress how to control health spending. Democrats are quietly attempting to impose a "global budget" on Medicare, with radical implications for U.S. medicine.

Like most of Europe, the various health bills stipulate that Congress will arbitrarily decide how much to spend on health care for seniors every year—and then invest an unelected board with extraordinary powers to dictate what is covered and how it will be paid for. White House budget director Peter Orszag calls this Medicare commission "critical to our fiscal future" and "one of the most potent reforms."

On that last score, he's right. Prominent health economist Alain Enthoven has likened a global budget to "bombing from 35,000 feet, where you don't see the faces of the people you kill."

* * *

As envisioned by the Senate Finance Committee, the commission—all 15 members appointed by the President—would have to meet certain budget targets each year. Starting in 2015, Medicare could not grow more rapidly on a per capita basis than by a measure of inflation. After 2019, it could only grow at the same rate as GDP, plus one percentage point.

The theory is to let technocrats set Medicare payments free from political pressure, as with the military base closing commissions. But that process presented recommendations to Congress for an up-or-down vote. Here, the commission's decisions would go into effect *automatically* if Congress couldn't agree within six months on different cuts that met the same target. The board's decisions would not be subject to ordinary notice-and-comment rule-making, or even judicial review.

Yet if the goal really is political insulation, then the Medicare Commission is off to a bad start. To avoid a senior revolt, Finance Chairman Max Baucus decided to bar his creation from reducing benefits or raising the eligibility age, which meant that it could only cut costs by tightening Medicare price controls on doctors and hospitals. Doctors and hospitals, naturally, were furious.

So the Montana Democrat bowed and carved out exemptions for such providers, along with hospices and suppliers of medical equipment. Until 2019 the commission will thus only be allowed to attack Medicare Advantage, the program that gives 10 million seniors private insurance choices, and to raise premiums for Medicare prescription drug coverage, which is run by private contractors. Notice a political pattern?

> Meet the unelected body that will dictate future medical decisions.

But a decade from now, such limits are off—which also happens to be roughly the time when ObamaCare's spending explodes. The hard budget cap means there is only so much money to be divvied up for care, with no account for demographic changes, such as longer life spans, or for the increasing incidence of diabetes, heart disease and other chronic conditions.

Worse, it makes little room for medical innovations. The commission is mandated to go after "sources of excess cost growth," meaning treatments that are too expensive or whose coverage will boost spending. If researchers find a pricey treatment for Alzheimer's in 2020, that might be banned because it would add new costs and bust the global budget. Or it might decide that "Maybe you're better off not having the surgery, but taking the painkiller," as President Obama put it in June.

In other words, the Medicare commission would come to function much like the National Institute for Health and Clinical Excellence, which rations care in England. Or a similar Washington state board created in 2003 to control costs. Its handiwork isn't pretty.

The Washington commission, called the Health Technology Assessment, is manned by 11 bureaucrats, including a chiropractor and a "naturopath" who focuses on alternative, er, remedies like herbs and massage therapy. They consider the clinical effectiveness but above all the cost of medical procedures and technologies. If they decide something isn't worth the money, then Olympia won't cover it for some 750,000 Medicaid patients, public employees and prisoners.

So far, the commission has banned knee arthroscopy for osteoarthritis, discography for chronic back pain, and implantable infusion pumps for pain not related to cancer. This year, it is targeting such frivolous luxuries as knee replacements, spinal cord stimulation, a specialized autism therapy and MRIs of the abdomen, pelvis or breasts for cancer. It will also rule on routine ultrasounds for pregnancy, which have a "high" efficacy but also a "high" cost.

Currently, the commission is pushing through the most restrictive payment policy in the nation for drug-eluting cardiac stents—simply because bare metal stents are cheaper, even as they result in worse outcomes. If a patient is wheeled into the operating room with chest pains in an emergency, doctors will first have to determine if he's covered by a state plan, then the diameter of his blood vessels and his diabetic condition to decide on the appropriate stent. If they don't, Washington will not reimburse them for "inappropriate care."

If Democrats impose such a commission nationwide, it would constitute a radical change in U.S. health care. The reason that physician discretion—not Washington's cost-minded judgments—is at the core of medicine is that usually there are no "right" answers. The data from large clinical trials produce generic conclusions that rarely apply to individual patients, who have vastly different biologies, response rates to treatments, and often multiple conditions. A breakthrough drug like Herceptin, which is designed for a certain genetic subset of breast-cancer patients, might well be ruled out under such a standardized approach.

* * *

It's possible this global budget could become an accounting fiction, like the automatic Medicare cuts Congress currently pretends it will impose on doctors. But health care's fiscal pressures will be even stronger than they are today if ObamaCare passes in anything like its current form. And that is when politicians will want this remote, impersonal and unaccountable central committee to do the inevitable dirty work of denying care.

The only way to take the politics out of health care is to give individuals more power to control medical dollars. And the first step should be not to create even more government spending commitments. The core problem with government-run health care is that it doesn't make decisions in the best interests of patients, but in the best interests of government.

OPINION

How Washington Can Create Jobs

By Alan S. Blinder

These are the times that try men's and women's souls. After dropping for four consecutive quarters, GDP has at last begun to rise, signaling the end of the Great Recession. But employment continues to fall, and the unemployment rate recently hit 10%—a rate we haven't experienced in a generation. It's no wonder Americans seem to have only three things on their mind right now: jobs, jobs and jobs.

We've lived with this disjunction between rising output and falling employment for only a few months so far, but the consensus forecast sees it continuing for some time—a disturbing prospect. Hardship already abounds, and the current political atmosphere

Despite their drawbacks, direct public-service employment and a tax credit for new workers would both help.

is ugly. Americans are justifiably angry to see their government committing trillions to get banks and Wall Street back on their feet while doing nothing, in their view, to create jobs. A long stretch of double-digit unemployment will deepen these sores.

Of course, it's not true that the government has done nothing about jobs. The $787 billion stimulus has doubtless saved many jobs already, and will save many more. So have the numerous financial rescue programs that the electorate abhors.

But saying that it could have been worse doesn't inspire. And Americans take scant comfort that jobs are now disappearing at a slower pace.

All this creates a political imperative for action, and the president recently announced a "jobs forum" for next month. But what policies would be effective job creators?

I'd start with the Hippocratic oath: "First do no harm." A premature withdrawal of monetary and fiscal stimulus could pull the rug out from under the nascent recovery. Yes, the mammoth federal budget deficit is both appalling and unsustainable. But this is not the time to shrink it by raising taxes or cutting spending. Yes, the Federal Reserve must eventually "exit" from its hyper-expansionary monetary policy. But this is not the time to look for the door.

That said, "first do no harm" is not enough. What comes second?

Two big ideas for job creation are under active discussion: a tax credit for new jobs, and direct public-service employment. Were the unemployment rate at 5%, I would oppose both. The tax credit invites gaming, e.g., creating phantom jobs to grab the tax benefit; and we do not particularly want more people on the public payroll. But the unemployment rate is 10%. In deep recessions, sensible governments do things they would never do at full employment. So let's consider the merits and demerits of the two ideas.

Direct public-service employment is straightforward. As long as the new government jobs do not compete with the private sector, the net job creation should be one-for-one. So hire people to repair parks, not shopping malls. And if we restrict ourselves to low-wage jobs, the cost will not do grievous harm to the budget. For example, at an average all-in cost of $30,000 a year, one million new jobs would cost $30 billion.

What's the downside? Well, any public expenditure does add to the deficit at a time when the deficit is already huge. Furthermore, despite much rhetoric to the contrary, the U.S. remains a "small government" country, especially at the federal level. With total federal civilian employment around 1.4 million, it is inconceivable that the federal government could find sensible uses for a million new workers. So, realistically, most of the program must be funneled through the states.

What about a tax credit for new jobs? That option has two obvious advantages. Every new job would be in the private sector, where at least some would become permanent. And since it's a tax cut, it might garner some votes from Republicans, who will shriek "socialism" at public-sector employment.

* * *

How many new jobs could such a tax credit actually create? And what is the jobs bang for the taxpayer buck? The answers depend on many factors, but two stand out: the response of private-sector hiring to a lower after-tax wage (what economists call the "elasticity of labor demand"), and the degree to which businesses can successfully game the system.

Economic research gives us a pretty good handle on the former. In normal times, a 10% reduction in after-tax wage costs, which is a reasonable benchmark figure to contemplate (e.g., a $5,000 tax credit for a $50,000 job), should boost employment by roughly 4%. That would amount to about 5.5 million net new jobs, which sounds great.

But hold on. First, lots of jobs that would have been created even without the tax credit would receive the credit anyway. For those jobs, there is no bang, only bucks. Second, by increasing the demand for labor, the tax credit will drive up wages (which is nice), which will in turn kill some jobs (not nice). All things considered, reasonable estimates of the budgetary cost per job created are comparable to the cost of public service employment. (And both are much lower than the cost per job of the big stimulus package.)

Unfortunately, we know much less about gaming the system. That worries me. Apart from outright fraud, there are three major ways (and many minor ones) for firms to exaggerate the number of new jobs created in order to receive the tax credit.

One is to fire Peter and hire Paul. This problem can be fixed by awarding the tax credit only for net increases in headcount above, say, last year's base. A second gimmick is replacing one full-time worker by two half-time workers. That loophole can be plugged by applying the tax credit to total payroll costs, rather than to headcount. Both of those fixes should be made. But they will render the tax credit irrelevant to many firms that cut back their employment sharply during the recession.

And what about new firms, which have no "last-year's base"? Excluding them would make many of the economy's new jobs ineligible for the tax credit. But if we allow new firms to claim the credit, clever people will create new firms in droves—at least on paper. And that's the third big way to game the system: by turning the XYZ Company into the X Company, the Y Company, and the Z Company. Because of this concern, when Congress instituted a new jobs tax credit in 1977 it split the baby by giving new firms half the credit.

* * *

All this is a bit worrisome. Tax credits would require assiduous drafting (keep the lobbyists out of the room!) and extremely careful administration by the IRS. The more I dwell on these things, the better direct public-service employment sounds.

But as the jobless recovery drags on, two things have become clear: First, neither the tax credit nor public-service employment is a panacea. And second, with employment still declining and another massive stimulus package out of the question for budget and political reasons, we will probably have to choose one of these options soon.

Mr. Blinder, a professor of economics and public affairs at Princeton University and vice chairman of the Promontory Interfinancial Network, is a former vice chairman of the Federal Reserve Board.

THE WALL STREET JOURNAL. ASIA

Almar Latour, *Editor in Chief, Asia*
Peter Stein, *Associate Editor*
Dean Napolitano, *Senior Editor*
Mary E. Kissel, *Editorial Page Editor*
Philip Owens, *Circulation Director*
Shawn Hiltz, *Marketing Director*
Alice Chai, *Research Director*
Connie Cheng, *Operations Director*
Simon Wan, *IT Director*
Olivier Legrand, *General Manager Digital*
Christine Brendle, *Publisher*
Published since 1889 by
DOW JONES AND COMPANY
© 2009 Dow Jones & Company. All Rights Reserved
DOWJONES
A News Corporation Company

HAPPINESS IS

TOO PRECIOUS TO POSTPONE.

WITH OUR
COMPLIMENTS

With our special fall offers, there's no better time to vacation with us. For more information contact your travel consultant, visit www.fourseasons.com/specialoffers or call (65) 6232-5926. From within Hong Kong call (800) 96-8385.

FOUR SEASONS
Hotels and Resorts

As always.

OPINION

The KSM Trial Benefits al Qaeda, not America

By John Yoo

'This is a prosecutorial decision as well as a national security decision," President Barack Obama said last week about the attorney general's announcement that Khalid Sheikh Mohammed and other al Qaeda operatives will be put on trial in New York City federal court.

No, it is not. It is a presidential decision—one about the hard, ever-present trade-off between civil liberties and national security.

Trying KSM in civilian court will be an intelligence bonanza for al Qaeda and the hostile nations that will view the U.S. intelligence methods and sources that such a trial will reveal. The proceedings will tie up judges for years on issues best left to the president and Congress.

Whether a jury ultimately convicts KSM and his fellows, or sentences them to death, is beside the point. The treatment of the 9/11 attacks as a criminal matter rather than as an act of war will cripple American efforts to fight terrorism. It is in effect a declaration that this nation is no longer at war.

KSM is the self-proclaimed mastermind of the 9/11 attacks on the World Trade Center and the Pentagon—and a "terrorist entrepreneur," according to the 9/11 Commission report. He was the brains behind a succession of operations against the U.S., including the 1996 "Bojinka plot" to crash jetliners into American cities. Together with Osama bin Laden, he selected the 9/11 terrorists, arranged their financing and training, and ran the whole operation from abroad.

After the U.S. invasion of Afghanistan KSM eventually became bin Laden's operations chief. American and Pakistani intelligence forces captured him on March 1, 2003, in Rawalpindi, Pakistan.

Now, however, KSM and his co-defendants will enjoy the benefits and rights that the Constitution accords to citizens and resident aliens—including the right to demand that the government produce in open court all of the information that it has on them, and how it got it.

Prosecutors will be forced to reveal U.S. intelligence on KSM, the methods and sources for acquiring its information, and his relationships to fellow al Qaeda operatives. The information will enable al Qaeda to drop plans and personnel whose cover is blown. It will enable it to detect our means of intelligence-gathering, and to push forward into areas we know nothing about.

This is not hypothetical, as former federal prosecutor Andrew McCarthy has explained. During the 1993 World Trade Center bombing trial of Sheikh Omar Abdel Rahman (aka the "blind Sheikh"), standard criminal trial rules required the government to turn over to the defendants a list

Associated Press

of 200 possible co-conspirators.

In essence, this list was a sketch of American intelligence on al Qaeda. According to Mr. McCarthy, who tried the case, it was delivered to bin Laden in Sudan on a silver platter within days of its production as a court exhibit.

Bin Laden, who was on the list, could immediately see who was compromised. He also could start figuring out how American intelligence had learned its information and anticipate what our future moves were likely to be.

Even more harmful to our national security will be the effect a civilian trial of KSM will have on the future conduct of intelligence officers and military personnel. Will they have to read al Qaeda terrorists their Miranda rights? Will they have to secure the "crime scene" under battlefield conditions? Will they have to take statements from nearby "witnesses"? Will they have to gather evidence and secure its chain of custody for transport all the way back to New York? All of this while intelligence officers and soldiers operate in a war zone, trying to stay alive, and working to complete their mission and get out without casualties.

The Obama administration has rejected the tool designed to solve this tension between civilian trials and the demands of intelligence and military operations. In 2001, President George W. Bush established military commissions, which have a long history that includes World War II, the Civil War and the Revolutionary War. The lawyers in the Bush administration—I was one—understood that military commissions could guarantee a fair trial while protecting national security secrets from excessive exposure.

The Supreme Court has upheld the use of commissions for war crimes. The procedures for these commissions received the approval of Congress in 2006 and 2009.

Stranger yet, the Obama administration declared last week that it would use these military commissions to try five other al Qaeda operatives held at Guantanamo Bay, including Abu Rahim al-Nashiri, the alleged planner of the 2000 bombing of the USS Cole in Yemen. It should make no difference that this second group attacked a military target overseas. If anything, the deliberate attack on purely civilian targets in New York City represents the greater war crime.

For a preview of the KSM trial, look at what happened in the case of Zacarias Moussaoui, the so-called 20th hijacker who was arrested in the U.S. just before 9/11. His trial never made it to a jury. Moussaoui's lawyers tied the court up in knots.

All they had to do was demand that the government hand over all its intelligence on him. The case became a four-year circus, giving Moussaoui a platform to air his anti-American tirades. The only reason the trial ended was because, at the last minute, Moussaoui decided to plead guilty. That plea relieved the government of the choice between allowing a fishing expedition into its intelligence files or dismissing the charges.

KSM's lawyers will not save the government from itself. Instead they will press hard to reveal intelligence secrets in open court. Our intelligence agents and soldiers will be the ones to suffer.

Mr. Yoo is a law professor at the University of California, Berkeley. He was an official in the Justice Department from 2001-03 and is a visiting scholar at the American Enterprise Institute.

Sarah Palin's Side of the Story

[Bookshelf]

Going Rogue: An American Life
By Sarah Palin
(Harper, 413 pages, $28.99)

By Melanie Kirkpatrick

"Going Rogue," the title of Sarah Palin's autobiography, refers to the snide remark of an anonymous McCain aide late in last year's presidential campaign. It was used to describe the vice-presidential candidate's move to break free of her media handlers and speak out against the campaign's decision to pull out of Michigan, a state that, in Mrs. Palin's view, was well worth contesting. The "word came hurtling down that I had been 'off-script,' " she writes. The campaign hadn't bothered to inform her of the Michigan decision, which she learned of from a reporter. "Of course," she adds drily, "it's pretty easy to issue candid, off-script messages when there is no script to begin with."

One of the biggest mistakes of the failed McCain campaign—and there was no shortage of them—was its handling of Mrs. Palin. Her criticisms of the campaign's treatment of her appear prominently in "Going Rogue." But the book contains self-criticisms too, if not as many as there ought to be for a candidate who was ultimately responsible for her own uneven performance.

That said, "Going Rogue" is more a personal memoir than a political one. More than half the book is about Mrs. Palin's life before the 2008 campaign. She discusses her coming of age in the "new frontier" state of Alaska; her personal faith journey; her experiences with marriage and motherhood, including two miscarriages, a special-needs child and a pregnant teenage daughter; and the free-market convictions that have guided her political career. As a politician, she comes across as a prodigious worker capable of mastering complicated issues—not least the energy policies that matter so much to Alaska's economy—and of building bridges to Democrats.

Through it all, Mrs. Palin emerges as a new style of feminist: a politician who took on the Ole Boy network and won; a wife with a supportive husband whose career takes second place to hers; and a mother who, unlike working women of an earlier age, isn't shy about showcasing her family responsibilities. She writes with sensitivity and affection about her gay college roommate, and she confesses her anguish when she found out that she was carrying a baby with Down syndrome. That experience, she says, helped her to understand why a woman might be tempted to have an abortion. This is not the prejudiced, dim-witted ideologue of the popular liberal imagination.

But of course it is for details of the McCain campaign that many readers will pick up "Going Rogue," and Mrs. Palin will not disappoint them. She describes in particular how campaign aides muzzled her and mismanaged her family. If anything, she is too gentle on the staffers who kept her out of the loop and under wraps. She is certainly too gentle on the man at the top of the ticket who let them get away with it. She has hardly a critical word to say about John McCain, whose appearances in the book are surprisingly few.

The mistakes started on day one. The McCain communications team had not compiled the usual press-briefing guides, she writes, with the result that the national media had "zero information" on her or her record in Alaska. Moreover, her "family, friends, and political associates were under strict instructions not to talk to the media." She wasn't even allowed to speak to her home-state press, which was very friendly. When one of her aides asked McCain headquarters for permission for her to go to the rear of the campaign plane to talk to reporters, the response was swift: "No! Absolutely not—block her if she tries to go back."

She says that the campaign stiffed her for $50,000 in vetting expenses. She expresses perplexity at the focus of McCain aides on her clothes—"Never before had I been involved in a campaign that placed such an emphasis on packaging." And she is angry about the campaign's handling of her daughter's out-of-wedlock pregnancy, which included putting out a press release that Mrs. Palin had not seen or approved. "If they [the leaders of the campaign] weren't going to let me speak my heart and mind even about an intimate issue affecting my own family, what would they let me speak to?"

When the media blackout was finally lifted and she had an interview with Katie Couric of the "CBS Evening News," the result was disastrous. Mrs. Palin takes responsibility, saying that she "let the team down" and that she "mistakenly let myself become annoyed and frustrated with many of her repetitive, biased questions." But she also blames the campaign for not prepping her adequately and for telling her that it was going to be "a pretty mellow interview, short and sweet, about balancing motherhood and my life as governor."

It is disappointing that Mrs. Palin devotes so little of "Going Rogue" to the issues that she and Mr. McCain ran on. She says that the campaign should have focused more on the flagging economy and been more aggressive in countering Barack Obama's agenda. She also says that she wasn't allowed to praise President Bush's homeland-security policies. But that's about it.

Mrs. Palin's veep candidacy ignited fury on the left and much skewed reporting in the mainstream media. It is probably too much to hope that a book that begins at the Right to Life booth at the Alaska State Fair will inspire her critics to read on. But if they do, they'll find themselves in the company of a woman whose views are more nuanced than they were portrayed to be during the campaign. As for her supporters on the right, they won't find much new ammunition with which to counter those who say that Mrs. Palin isn't ready for the rigors of the White House.

Speaking of which, "Going Rogue" offers little guidance on the big question: Is Mrs. Palin preparing to run for the presidency? The final chapter, "The Way Forward," is a mere 13 pages and reads like a stump speech. It consists mostly of generalities on conservative values, fiscal restraint and the need for a strong defense. But the quotation from her father with which she introduces the chapter perhaps offers a clue to her future plans: "Sarah's not retreating; she's reloading!"

Ms. Kirkpatrick is a former deputy editor of the Journal's editorial page.

IN DEPTH

General Electric pursues pot of U.S. government stimulus gold

The initiative comes as a sluggish global economy is weighing on the company's core industrial businesses

THE financial crisis hasn't been kind to General Electric Co. Its stock has lost almost half its value, the U.S. government has stepped in to prop up its enormous financial arm, and sales have slumped in core industrial businesses.

But Chief Executive Jeffrey Immelt now has his eye on a huge new pool of potential revenue: Uncle Sam's stimulus dollars. Mr. Immelt, a registered Republican, quips about the shift in thinking in the nation's corner offices: "We're all Democrats now."

GE has high hopes for the strategy. It says that over the next three years or so it could bring in as much as $192 billion from projects funded by governments around the globe, such as electric-grid modernization, renewable-energy generation and health-care technology upgrades.

The company is just starting to see a payoff. Last month, for example, President Barack Obama announced $3.4 billion in government-stimulus grants for power-grid projects. About one-third of the recipients are GE customers. GE expects them to use a good chunk of that money to buy its equipment.

The government has taken on a giant role in the U.S. economy over the past year, penetrating further into the private sector than anytime since the 1930s. Some companies are treating the government's growing reach—and ample purse—as a giant opportunity, and are tailoring their strategies accordingly. For GE, once a symbol of boom-time capitalism, the changed landscape has left it trawling for government dollars on four continents.

"The government has moved in next door, and it ain't leaving," Mr. Immelt said at the International Economic Forum of the Americas in Montreal in June. "You could fight it if you want, but society wants change. And government is not going away."

A close look at GE's campaign to harvest stimulus money shows Mr. Immelt to be its driving force. The 53-year-old executive supported the presidential campaign of Sen. John McCain, yet scored an invitation onto the President's Economic Recovery Advisory Board, led by former Federal Reserve Chairman Paul Volcker. Inside GE, he pushed his managers hard to devise plans for capturing government money.

As part of that effort, GE has promoted policy proposals such as a government-backed power-grid modernization, and pressed the government to increase the size of stimulus grants for that purpose. It also has helped customers design projects and apply for government money, with the expectation that those customers will then buy GE equipment.

The initiative comes as a sluggish global economy is weighing on GE's core industrial businesses. Pursuing government contracts has become a centerpiece of its strategy around the globe. The company estimates $2 trillion in global infrastructure spending will get under way in coming years. It has announced a flurry of energy deals with foreign governments from Iraq to China.

"I think we will do better than most on the stimulus," Mr. Immelt told analysts in April. He declined to elaborate on the effort for this article.

The strategy is not without risks, say two GE executives who have been critical of the plan. Government policy could change. Stimulus projects could roll out more slowly than GE expects and generate less revenue than forecast. GE could fail to win competitions to supply hardware and services to companies and public entities that receive stimulus dollars.

GE isn't in agreement with the Obama administration on some proposals. Its GE Capital financial unit, which contributed nearly half of its earnings in recent years, received government backing for its debt when the credit markets seized up last fall. Now GE is lobbying against proposals that would separate GE Capital or its industrial-loan company from the parent company. More regulation on its finance division seems inevitable. The company also is opposed to health-care proposals that would result in $40 billion in fees on health-care device makers such as GE.

Reuters

A close look at GE's campaign to harvest stimulus money shows Chief Executive Jeffrey Immelt to be its driving force. Mr. Immelt, above, at a news conference in New York last month.

GE, whose businesses range from washing machines and lights bulbs to aircraft engines, wind turbines and nuclear reactors, has long done business with the U.S. government.

Over the years, the company has been associated with Republican politics. President Ronald Reagan, voice of GE ads and host of the GE Theater television show from 1954 to 1962, said the views he encountered at GE helped transform him into a free-market conservative. Former CEO Jack Welch, who handpicked Mr. Immelt to succeed him, was a prominent supporter of several Republican presidential candidates. Nancy Dorn, the current head of GE's government-relations office in Washington, served in the administrations of Mr. Reagan and both Mr. Bushes.

Mr. Immelt's push to corral federal money began even before Mr. Obama took office. In December, with the economy in a skid, Mr. Immelt was under fire from shareholders. Advisers to Ecomagination, the company's green-technology-development initiative, gathered at GE's boardroom in midtown Manhattan. Among other things, the group discussed how an Obama stimulus plan might shape the nation's energy future.

Mr. Immelt concluded that the company needed to capitalize on the surge in government spending. According to two people present at the meeting, Mr. Immelt told the group that businesspeople needed to support the Democrats' stimulus package.

By January, Mr. Immelt had become a leading corporate voice in favor of the $787 billion

IN DEPTH

AFP/Getty Images

U.S. President Barack Obama, left, talks with General Electric CEO Jeffrey Immelt, right, and AFL-CIO President Richard Trumka, center, on Nov. 2. Last month, Mr. Obama announced $3.4 billion in government-stimulus grants for power-grid projects. About one-third of the recipients are GE customers. GE expects them to use a good chunk of that money to buy its equipment.

Stimulus opportunity

Some provisions in the $787 billion federal stimulus bill that potentially benefit GE

Modernization of electric grid	$4.4 billion
Loan guarantees for standard renewable energy	$4.0
Research and development of renewable energy and energy-efficient technology	$2.5
Renovation and information technology for community health centers	$2.0
Tax cuts for energy-efficiency projects by homeowners	$2.0
Transportation electrification grants	$400 million
Tax credits for buyers of Energy Star appliances	$300 million

Source: WSJ analysis of House Committee on Rules, Joint Committee on Taxation, Congressional Budget Office data

Global boost

GE is seeking up to $192 billion in revenue by 2013 from stimulus-related projects.

Projects	Potential revenue
157 energy-related	$94 billion
126 health-care related	$32 billion
136 others, such as transport	$66 billion

Source: GE

stimulus bill, supporting it in op-ed pieces and speeches. Reporters who called the Obama administration for information on renewable-energy provisions in the legislation were directed to GE.

As the bill worked its way through Congress, GE lobbyists pressed for grants, tax cuts or rebates aimed at businesses GE is engaged in, including provisions worth more than $80 billion for energy projects, appliances, health-care information systems and wind farms. GE would have to compete with rivals for a share of these grants.

When the stimulus package was rolled out, Mr. Immelt instructed executives leading the company's major business units "to put together swat teams to get stimulus money, and [identify] who to fire if they don't get the money," says a person who heard him issue the instructions.

In February, a few days after President Obama signed the stimulus plan, GE lawyers, lobbyists and executives crowded into a conference room at GE's Washington office to figure out how to parlay billions of dollars in spending provisions into GE contracts. Staffers from coal, renewable-energy, health-care and other business units broke into small groups to figure out "how to help companies"—its customers, in particular—"get those funds," according to one person who attended.

The group put together a colorful two-page fact sheet about how the stimulus plan works, then printed hundreds of copies for GE salespeople to distribute to customers, including local governments and power companies. The fact sheet said GE would be involved with setting national standards and energy-transmission policy. The sheet also said that GE could help regional utilities and governments win federal stimulus money earmarked for making the power grids more efficient.

Separately, Mr. Immelt got an invitation to serve on the President's Economic Recovery Advisory Board, which would afford him access to the president's economic inner circle. The bipartisan board is composed of industrial, finance and union leaders, and Mr. Immelt has become one of the administration's advisers on jump-starting manufacturing and creating jobs.

"We think he is an important voice...we talk about energy being a place where America can produce jobs in the manufacturing space," says White House Chief of Staff Rahm Emanuel. "He has those interests, and they match ours. But we didn't come to them because of him."

At the board's first public meeting in May, Mr. Immelt and fellow board member John Doerr, a Silicon Valley venture capitalist and prominent Democrat, led a discussion of the advantages to business of a proposal to make companies pay for greenhouse-gas emissions. The board voted to adopt that position.

"This was an early example of a group of business leaders willing to say that a clean-energy policy that put a price on carbon could create major opportunities for the economy if done right," says Austan Goolsbee, staff director and chief economist on the recovery board. A so-called cap-and-trade bill will likely not be considered by Congress until early next year.

One plank of the stimulus bill provides for energy grants for the development of "smart grids"—sophisticated transmission systems in which power consumption and demand is carefully monitored to conserve energy. GE says it, along with others, urged the Department of Energy to increase its maximum energy grant 10-fold, to $200 million. Then GE helped some 100 customers, mostly power providers such as Florida Power & Light, to apply for money.

GE General Counsel Brackett Denniston III says the company frequently provides expertise to governments and clients, and that its assistance on government-grant applications does not ensure its clients will win the resulting contracts.

GE makes a wide array of equipment that its customers can use in conjunction with smart grids. GE sells appliances, for example, designed to make use of power at quiet times of day or night, when rates could be cheaper.

Of the 100 smart-grid grant recipients Mr. Obama announced last month, one-third were GE clients. GE declines to say what portion of the $3.4 billion in government money went to its customers. Its executives have told analysts that GE stands to reap up to $500 million in contracts from every smart-grid project built in a city with a population of more than one million.

GE has said that the state of Florida and partners plan to invest $800 million by 2014 to upgrade its power grid, and that the bulk of the equipment would come from GE. "If we can do this in Miami, we ought to be able to do this in 100 more large cities across the country," Steve Fludder, vice president of GE's Ecomagination green-technology initiative, told analysts at a conference in May.

GE has said that its goal is to increase its Ecomagination revenues to $25 billion by 2010, from $18 billion in 2008. Ecomagination products accounted for about 17% of revenues of GE's industrial businesses, Mr. Fludder said.

GE spent $7.55 million lobbying in the second quarter, a 34% increase from the year-earlier period and more than any other single company, according to federal data compiled by the Center for Responsive Politics.

GE does not disclose how much revenue it has gleaned from the government stimulus program. So far, the returns appear to have been modest, relative to GE's $182.5 billion of revenue in 2008. Nine months after Mr. Obama signed the stimulus bill, about half the federal money has been allocated. Most of it went to initiatives like individual tax cuts and aid to states, which don't directly benefit GE's businesses.

Mr. Immelt said last month that GE won't see a bigger impact on its revenues from stimulus spending until the current quarter, at the earliest. "We have a couple billion dollars of orders already into it," he said. "That's not just the U.S. It's China and other countries."

The effort could be hampered if Congress or the administration, anxious about rising unemployment and a growing deficit, decides to cut back on stimulus programs or redirect money toward job-creating measures less beneficial to GE, such as employer-tax credits.

GE shares have rallied in November on signs that troubles in the company's finance unit could be easing. But some analysts question the company's projections for added revenue from stimulus projects.

"We remain very skeptical on the stimulus, overall," says Scott Davis, an analyst at Morgan Stanley. He says GE's estimates of what it could reap from the stimulus programs is "way too high." Mr. Davis and other analysts at Morgan Stanley say they expect only $30 billion of the stimulus plan's $275 billion infrastructure spending to flow this year.

Asked last month if its government-contracting estimates were too optimistic, Mr. Immelt replied: "We'll see. We'll keep the target out there."

› You have the chance to power your own city.

How will you do it?

There are lots of ideas about how to meet a growing energy demand. Here's a chance to try out a few of your own.

Energyville is an online game that lets you choose from a wide range of energy sources to meet the demands of your very own city. Alternatives. Renewables. Oil. Gas. What should be developed? Is conservation the answer? What about safeguarding the environment? See the effect your choices have, then share those results with others.

Energyville is a lot more than just a game. It's a chance to better understand and discuss the energy challenges we all face, then find the inspiration and know-how to solve them.

Put your ideas to work at willyoujoinus.com

Energyville, from Chevron

An energy game developed by The Economist Group.

CHEVRON and the CHEVRON HALLMARK are registered trademarks of Chevron Intellectual Property LLC.
© 2009 Chevron Corporation. All rights reserved.

Chevron

The Economist Group

FROM PAGE ONE

China's limits foil the Obama charm

Continued from first page
business leaders weren't invited to the event, nor were scholars.

On Wednesday, Mr. Obama is due to meet Chinese Premier Wen Jiabao and then fly out in the afternoon. None of the meetings are expected to result in significant agreements or statements.

This is in sharp contrast to President Clinton's trip to China in 1998, when he got four opportunities to speak directly to the Chinese, including an uncensored live interview on China Central Television and speeches to Chinese students. At the time, however, China had courted Mr. Clinton, who was making the first presidential visit to China since the 1989 Tiananmen Square massacre.

In 2002, former President George W. Bush made a speech to Chinese university students extolling political and religious freedom. It was broadcast on national television.

In contrast to those visits, the U.S. is in a far weaker position, its economy racked by financial crisis and its military engaged in two long-running wars abroad. "The U.S. is not able to force its agenda on China anymore," said Shi Yinhong, a professor at People's University in Beijing.

The differences were apparent in the Monday meeting in Shanghai with Chinese youth. It was meant to be a town hall-style event—which normally feature open discussions from audience members who choose to participate. Instead, Mr. Obama addressed a group of carefully selected young people from the Shanghai area, some of whom said they had been bused in for the event after "training." White House reporters covering the event were put in a "viewing room" with no view of the event.

Associated Press

President Obama greets students after speaking at a town hall-style event with Chinese youth at the Museum of Science and Technology in Shanghai on Monday.

Perhaps more significantly, the event wasn't widely available to ordinary Chinese. It was broadcast only on a local television station. The government news service, Xinhua, said it would stream video of the event on its Web site but it ended up carrying only a transcript of the questions and answers.

Perhaps fittingly, Mr. Obama used the forum at Shanghai's Museum of Science and Technology to make a plea for a free flow of information, saying it makes societies stronger and holds political leaders accountable. People in positions of power may bristle at criticism, he said, but open criticism "makes our democracy stronger, and it makes me a better leader because it forces me to hear opinions that I don't want to hear."

National Security Council spokesman Mike Hammer said after Monday's event, "we're satisfied that the Chinese people will know what the president said today." White House spokesman Nicholas Shapiro said the limited dissemination and lack of advanced promotion only underscored the importance of Mr. Obama's message.

One questioner suggested Americans and Chinese have different cultures and that the U.S. shouldn't impose its views on China. Mr. Obama responded that the U.S. believes "there are certain fundamental principles that are common to all people regardless of culture."

But he didn't mention hot-button human-rights issues such as Tibet or the Muslim Uighurs. Instead, he said children shouldn't be exploited or forced into labor, and women should be respected, educated and allowed to pursue careers. His emphasis was on U.S.-Chinese cooperation and the need to improve political and economic relations.

—Aaron Back contributed to this article.

U.S. rebuts Chinese criticism on trade

By Aaron Back

BEIJING—U.S. Secretary of Commerce Gary Locke, accompanying President Barack Obama on his visit to China, rebutted Chinese criticism of recent U.S. trade policy, saying the U.S. is merely enforcing existing trade agreements.

"The United States is not engaged in some increased protectionism. The president is very much against protectionism," Mr. Locke said Monday in an address to U.S. business leaders in Beijing.

At the same event, U.S. Trade Ambassador Ron Kirk declared that the U.S. is "the most open market in the world" but added "a lot of this recent financial crisis is rooted in the fact that so much of global economic growth and trade was dependent on American consumption."

The comments followed unusually blunt comments from China earlier in the day, when Ministry of Commerce spokesman Yao Jian said that China sees rising protectionism in the U.S. and hopes that the U.S. will stay committed to free trade.

Trade friction between the two countries has been on the rise, especially since the U.S. decision in September to hit Chinese tire exporters with punitive tariffs.

But Mr. Locke said Monday that trade disputes such as the one over tire tariffs are actually a sign of a mature trading relationship between the two countries, in which disagreements are managed according to agreed-upon rules and adjudicated by the World Trade Organization. "This is all part of the natural order of business, in which we are engaged in a rules-based trading regime," he said.

Petitions filed in the U.S. in 2009 alleging dumping by Chinese companies accounted for just 1.3% of the value of all exports from China to the U.S., Mr. Locke said. The total volume of goods subject to antidumping duties covers only 3.6% of all Chinese imports to the U.S., he added.

By contrast, China has filed antidumping cases against American goods that represent 4% of all U.S. exports to China. "So we're roughly the same," he said.

The tire tariff decision was especially controversial because it was made under a special "safeguard" provision of China's WTO accession that doesn't oblige U.S. tire companies to prove that Chinese companies are engaged in unfair trading practices, rather just that a surge of Chinese imports has hurt the U.S. tire industry.

South Korea challenges giants in nuclear power

Continued from first page
the world's 439 nuclear reactors expected to be retired by 2030, and nuclear power plants gaining appeal because they don't emit greenhouse gases, demand for nuclear technology is expected to grow sharply, potentially offering new players room to make their mark internationally.

Analysts say that the trajectory of the Korean nuclear industry could depend on the outcome of the U.A.E. contract.

If the South Korean team wins the project, it would mark the first time the country's nuclear industry has exported its know-how.

The U.A.E., one of the world's largest oil exporters, is looking to build as many as four nuclear reactors as part of a plan to diversify its economy.

The oil-rich emirates don't have large quantities of cleaner-burning natural gas, and government planners have identified nuclear energy as the preferred choice to meet their fast-growing power needs.

The U.A.E. contract is unusual by industry standards because the country has no nuclear experience.

As a result, it is seeking not only the equipment necessary to build its first nuclear reactors, but also an operator to run the plant. This differs from the typical pattern, in which nuclear-engineering companies supply reactors to established power companies, who know how to operate them.

In a sign of the West's political and security concerns about transferring nuclear technology to the Middle East, the tender process for the contract was delayed by prolonged negotiations between the U.S. and the U.A.E. on a nuclear-cooperation treaty. That pact, signed this year, makes it legal for U.S.-based companies to sell such technology to Abu Dhabi.

The person familiar with the matter said that all of the short-listed groups had extremely high technical merits, and that a winner hasn't been chosen.

Officials involved in the tender process say that, on top of technical merit, the economic and strategic ties that the bidding companies and their governments have with the U.A.E. will be a factor in the outcome of the nuclear-plant contest.

France, which dispatched Trade Minister Anne-Marie Idrac to the U.A.E. to lobby for the French bid, strengthened its relationship with Abu Dhabi this year by opening a military base in the U.A.E.

GE, whose chairman and chief executive, Jeffrey Immelt, was in town for Abu Dhabi's inaugural Formula One Grand Prix earlier this month, has signed an $8 billion joint-venture deal with one of the main investment arms of the emirate's government, Mubadala Development Co., which has vowed to become one of GE's biggest shareholders.

South Korea, meanwhile, is a major buyer of Abu Dhabi's crude oil.

As part its energy plan, South Korea aims to build 10 more domestic nuclear reactors through 2030, on top of the eight now on the drawing board, six of which are under construction.

That pace is still less than one plant a year. For Korea to catch up with the industry's global leaders, it would have to pick up business internationally, said Whang Joo-ho, a professor of nuclear engineering at Kyung Hee University in Yongin, South Korea.

"Our nuclear industry is small compared" with global competitors, Mr. Whang said. "The only way we can keep up with their innovations is to go abroad."

—Paul Glader contributed to this article.

Tested technology

The U.A.E. has asked for modern nuclear-power reactors with designs that are being built elsewhere.

French team

- The French group is offering to build 1,600-megawatt reactors designed by Areva and known as EPR.
- EPR reactors are under construction in Flamanville, France, and in Olkiluoto, Finland. Two are being built in Taishan, in China's Guangdong province.

South Korean team

- The South Korean consortium is offering to build 1,400-megawatt reactors designed by Korea Hydro & Nuclear Power and known as APR 1400.
- Two APR 1400s are under construction in Shin-Kori.

Japanese-U.S. team

- The Japanese-U.S. consortium is offering to build 1,350-megawatt reactors designed by General Electric and known as ABWR.
- Two ABWRs are under construction in Taiwan.

© Copyright 2009 Dow Jones & Company. All Rights Reserved

Gold continues its march higher

MARKETS 27

BUSINESS & FINANCE.

Tuesday, November 17, 2009 THE WALL STREET JOURNAL. asia.WSJ.com

GM crawls ahead, posts $1.15 billion loss

First postbankruptcy results mark an improvement from last year, but significant hurdles remain

By Sharon Terlep

DETROIT—**General Motors** Co. delivered the first postbankruptcy look at its financial health, showing a company inching toward recovery but with daunting hurdles ahead.

The auto maker reported a $1.15 billion loss for July 10 to Sept. 30, narrowing the red ink from GM's prebankruptcy days.

The company also said it plans to accelerate loan payments to U.S. and Canadian governments, with the first $1.2 billion installment due in December. GM Chief Executive Frederick "Fritz" Henderson described the company's performance as stable yet "unsatisfying."

While the company reported positive cash flow and a profit in its international operations, GM also lost market share around the globe and its European operations contributed $400 million to the overall loss. The company warned that cash flow will be negative in the fourth quarter as it takes charges and begins to repay government loans.

Getty Images

GM CEO Frederick 'Fritz' Henderson talked to reporters Monday in Detroit about GM's improved third-quarter results.

The auto maker didn't provide comparable data as it reported earnings for the stripped-down company that exited bankruptcy protection as well as for Motors Liquidation Co., in which it bundled legacy assets such as dormant factories, equipment and real estate.

However, the report signals improvement from the third quarter of last year, when GM reported a loss of $2.5 billion and burned through $6.9 billion in cash.

GM is taking something of a bullish view of the global outlook next year, predicting industrywide sales of 62 million to 65 million vehicles. IHS Global Insight has projected sales of 61.3 million vehicles.

The results reported Monday underscore the growing importance of GM's operations outside the U.S. Mr. Henderson said GM ventures in China are "throwing off cash" and that important emerging markets have stabilized after the global financial meltdown.

But Mr. Henderson warned against relying too heavily on China

Please turn to page 24

Hitachi planning to raise $4.6 billion via new stock

By Yuzo Yamaguchi And Hiroyuki Kachi

TOKYO—**Hitachi** Ltd. said is raising up to 415.67 billion yen ($4.64 billion) to reduce debt and fund spending, mainly on infrastructure-related businesses, becoming the latest Japanese company to tap the market for capital to shore up its balance sheet.

The Japanese electronics conglomerate expects the new funds to help support its infrastructure-related businesses under president Takashi Kawamura, who took over in April, and to speed up restructuring.

It plans to spend 260 billion yen of the new funds on areas such as power and industrial systems, and on its information and technology segment. The remaining 155.67 billion yen will be used to pay debts, including loans for the takeover of its five publicly traded units—another step to focus on infrastructure-related businesses.

Hitachi joins a growing list of Japanese companies tapping the stock market to raise funds to support growth. Last week, shipping company Nippon Yusen K.K. said it would issue 142 billion yen of new shares. Computer and network equipment maker NEC Corp. has also said it would raise up to 134 billion yen from equity financing.

Hitachi said it will issue 1.09 billion new shares to the public.

An additional 60 million new shares is scheduled under an over-allotment arrangement in case of exceptional demand. The combined number of new shares accounts for 34% of Hitachi's current shares outstanding.

Investors rushed to sell Hitachi shares amid concerns the new share issuance will dilute the value of its shares, pushing the share price down 8.5% to 269 yen.

The share value dilution of more than 20% is "big," said Haruo Sato, an analyst at Tokai Tokyo Research Center, who rates Hitachi at neutral. But he said he expects Hitachi shares to recover to around 300 yen by the end of the fiscal year in March if investors take into account a possible improvement in Hitachi's balance sheet and its restructuring initiatives.

Hitachi stock fell 8.5% on news of that the company will issue 1.09 billion new shares to the public.

He also expects the new funds to help keep Hitachi's shareholder equity ratio above 10%, as the electronics giant expects a 230 billion yen net loss for the fiscal year ending March 2010. It posted the biggest loss ever for a Japanese manufacturer of 787.3 billion yen in the previous year.

Hitachi also plans to offer 100 billion yen of five-year unsecured convertible bonds, with a coupon between 0.10% and 0.40%.

—Megumi Fujikawa contributed to this article.

F.P.JOURNE
Invenit et Fecit
Entirely invented and manufactured in-house
18K gold movements only
VEN
MAR
F.P.JOURNE
Invenit et Fecit
Octa Calendrier - Platinum or rose gold case
Grand Prix d'Horlogerie de Genève
Jury's special Award • 2002
PARIS +33 1 42 68 08 00
GENEVA +41 22 810 33 33
NEW YORK +1 212 644 5918
TOKYO +81 3 5468 0931
BEIJING +86 10 8157 2036
HONG KONG +852 2522 1868
www.fpjourne.com

Taiwan, China reach finance-sector deals

Agreements are latest benefit of thaw in cross-Strait relations; hoping for a break on yuan lending

By Perris Lee Choon Siong

TAIPEI—Taiwan and China clinched long-awaited pacts that will help open their financial industries to each other's companies, marking a significant new step in normalizing economic ties between the rivals.

The three memorandums of understanding, which take effect in 60 days, were finalized Monday by Taiwan's Financial Supervisory Commission and three agencies in Beijing that oversee China's banking, insurance and securities sectors. Taiwanese officials said the agreements will pave the way for Taiwan's banks and securities companies to do business in China like those from other countries—access the island's companies have long coveted. The deals also will help Taiwan's regulator r supervise the Chinese operations of its insurers.

The financial pacts are the latest example of warmer relations between China and Taiwan since President Ma Ying-jeou of the Kuomintang, or Nationalist Party, took office in Taiwan in May 2008 pledging to end decades of mutual antipathy with Beijing. China's government claims self-governed Taiwan as part of its rightful territory that must eventually reunify with it.

Taiwan's banks have been waiting for years for a breakthrough in relations across the Taiwan Strait that would enable them to do business in China.

Their home market, with nearly 40 local banks and more than 30 foreign lenders for just 23 million people, is saturated, and many of their corporate clients have moved the bulk of their manufacturing operations to China, where the financial market is growing rapidly. Chinese financial institutions also have been interested in gaining access to Taiwan.

Seven Taiwanese banks have opened liaison offices in China since 2002, including **Taiwan Cooperative Bank** and **Chinatrust Commercial Bank** Co. But without a formal mechanism for cooperation between regulators on the two sides, those banks haven't been able to start doing proper business.

The new deals will pave the way for them to upgrade those representative offices to branches that can lend and take deposits, albeit only in foreign currencies at first.

"We see cross-strait liberalization as structurally positive to Taiwan's financial sector in the long term," Deutsche Bank analyst Nora Hou said in a report this month. "We also believe that it will re-rate the sector in Taiwan, as [the Closer Economic Partnership Arrangement between Hong Kong and China] did."

The deals signed Monday cover areas including information exchange, financial inspection, and crisis management.

Still, the deals leave considerable work to be done. Details over the scope of financial market access between the two sides, such as rules enabling Chinese banks to invest in their Taiwanese counterparts, have yet to be resolved. Those issues are expected to be negotiated in talks over a broader free-trade deal, known as the Economic Cooperation Framework Agreement, that Taiwan and China hope to sign next year

Taiwan also hopes those wider talks will lead to Beijing fast-tracking approval for its banks to start providing local-currency services in the Chinese market, officials on the island said. Under China's agreements for joining the World Trade Organization, the Chinese arms of overseas banks are allowed to take deposits and lend in yuan after three years of operations. Taiwan hopes to reduce that period to less than two years and to gain other preferential treatment.

Yang Yi, spokesman for China's Taiwan Affairs Office said Monday's agreements demonstrate "that the cross-strait financial cooperation has entered a substantial phase."

Reuters

Taiwan's Financial Supervisory Commission reached deals with China on market access for banks. Sean Chen, left, is chairman of the commission.

INDEX TO BUSINESSES AND PEOPLE

Businesses

This index of businesses mentioned in today's issue of The Wall Street Journal is intended to include all significant reference to companies. First reference to the companies appears in bold face type in all articles except those on page one and the editorial pages.

Abbott Laboratories....31
Alcoa....31
Apple....11
Areva....1
Aspect Software....10
Babcock & Brown Infrastructure Group..25
Bank of America....36
Beazer Homes....26
Beijing Automotive Industry Holdings....9
Blockbuster....26
Boeing....23
Brookfield Asset Management....25
CA....10
Canon....23
Capmark Financial....26
Caterpillar....31
Cazenove....26
Chevron....31
Chi Mei Optoelectronics 31
China Construction Bank 27
Chinatrust Commercial Bank....22
China Unicom....11
Chunghwa Picture Tubes 31
Circuit City Stores....26
CIT Group....26
Citibank Korea....36
Citigroup....36
Colorme Info Tech....11
Community Options....10
CQS....29
CQS Directional Opportunities Fund...29
Deutsche Bank....29
Developers Diversified Realty....28
Dyno Nobel....24
Electricite de France....1
Electronic Arts....11
Energy Future Holdings 26
European Aeronautic Defence & Space....23
Exxon Mobil....31
FBR Capital Markets....29
Ford Motor....9,26
GdF Suez....1
Geely Holding Group....9
General Electric....1,16
General Motors....9,26
GLG Partners LLP....29
Goldman Sachs Group..36
Harrah's Entertainment 26
Hennes & Mauritz AB..24
Hitachi....1,21
Hutchison Telecommunications International....23
Incitec Pivot....24
Industrial & Commercial Bank of China....27
Inland Western Retail Real Estate Trust....28
Innolux Display....31
Investment Fund Management LLP....29
JPMorgan Chase &....28
Kenexa....10
Koenigsegg Group....A9
Kohlberg Kravis Roberts 26
Korea Electric Power....1
Las Vegas Sands....29
Lihir Gold....31
Massachusetts Mutual Life Insurance....28
Merck &....31
MGM Mirage....26
Michaels Stores....26
Mitsubishi UFJ Financial Group....31
Mizuho Financial Group 31
Morgan Stanley....36
National Power....30
NBH Holdings....29
New World Development 27
Nicor....31
9thQ....11
NWS Holdings....27
Oce....23
Power Sector Assets and Liabilities Management 30
Principal Financial Group 28
Quickoffice....11
Randgold Resources....31
Rio Tinto....31
Royal Bank of Scotland Group....29
Shandong GoldMining..31
Shouji Mobile....11
Sino Gold Mining....31
Spectra Energy....31
Spherion....10
Sumitomo Mitsui Financial Group....31
Taifook Securities Group 27
Taiwan Cooperative Bank 22
Tata Motors....9
TCI....29
Tencent Holdings....11
Toshiba....1
Total SA....1
TXU....26
Vodafone Group....23
Vornado Realty Trust...28
Watson Wyatt Worldwide....10
Wellington Management 29
Yemenia Airlines....23
YRC Worldwide....26
Zhaojin Minin....31

People

This index lists the names of businesspeople and government regulators who receive significant mention in Today's Journal.

Adkins, Marshall....31
Algarra, Rafael S. Jr....30
Banziger, Richard....26
Boydstun, Herb....29
Casesa, John....9
Chen, Denis....25
Cleary, Matt....25
Connolly, James....29
Crandall, Fred....10
Davis, Scott....16
Degorce, Patrick....29
Denniston, Brackett III.16
de Zwart, Niels....23
DiNapoli, Dominic....26
Enders, Tom....23
Evans, Joseph W.....29
Fulthorpe, Mark....9
Gottesman, Noam....29
Guangcan, Mao....11
Hamill, David....25
Harman, Graham....31
Harrison, William....29
Hartheimer, Robert H..29
Healy, Daniel....29
Heinz, Kenneth J.....29
Henderson, Frederick...21
Hou, Nora....22
Hsiao, Yawen....25
Imber, Michael....26
Immelt, Jeffrey.....1,16
Jennings, Peter....31
Jolton, Jeffrey....10
Jonsson, Jan Ake....9
Kawamura, Takashi....21
Kheraj, Naguib....26
Krause, Roy....10
Leahy, John....23
Locke, Gary....36
Lopucki, Lynn....26
McFall, John....28
Myerson, Lee....29
Myners, Paul....28
Odell, Stephen....9
Pollock, Samuel J.B.....25
Rinehart, Charles.....29
Ross, Wilbur....29
Sato, Haruo....21
Schaaf, Anton H.....23
Shapiro, Mark....26
Simon, Scott....28
Steele, Robert....29
Steel, James....27
Stephens, Marsha....10
Suzuki, Seiichi....31
Sylvester, Lisa....10
Tanaka, Toshizo....23
Tinseth, Randy....23
Tuan Hsing Chien....25
Twomey, Kevin....29
Uchida, Tsuneji....23
Vazza, Diane....26
Vinge, Nils....24
Weinberg, Eugen....27
Weixing, Shi....11
Wigand, James....29
Wong, Carson....31
Wong, Jennifer....30
Xianming, Li....27
Yinhong, Shi....1
Yu, Frank....11
Zatko, Thomas....28
Zollars, Bill....26

Canon to bid for printer growth

Japanese firm to offer $1.09 billion for Dutch maker Océ; target supports deal

By Yuzo Yamaguchi And Robin van Daalen

TOKYO—**Canon** Inc. said Monday that it plans to buy Dutch printer maker **Océ** NV for €730 million ($1.09 billion) in cash, as the Japanese office-machines maker pursues growth amid the global economic downturn. The proposed bid sent Océ shares sharply higher.

Canon aims to launch its tender offer of €8.60 a share between January and March. The bid, which is supported by Océ's management and supervisory board, would be a premium of 70% over Océ's closing share price on Friday, and more than double the average closing share price over the past 12 months.

At midafternoon Monday, Océ shares were up 69% at €8.54 in Amsterdam. Canon shares fell 1.5% to close at 3,370 yen ($37.58) in Tokyo.

Canon said a takeover of Océ would help the Japanese company expand its product lineup and sales networks amid weak corporate spending.

Océ "is a very attractive partner for our marriage," said Tsuneji Uchida, Canon's president. "We can complement each other."

During an Amsterdam news conference, Canon's chief financial officer and executive vice president, Toshizo Tanaka, said he couldn't quantify the synergies that would be achieved through the integration of Océ.

Reuters

A man tests a Canon camera at an electronics shop in Tokyo last month.

In focus

Performance of Canon and Océ, year to date

— Océ, up 175%
— Canon, up 22%

Source: Thomson Reuters Datastream

Canon expects Océ's high-end printing systems to complement Canon's midrange products. Océ offers strong sales networks in Europe and the U.S., while Canon has a solid foothold in Asia.

"Combined skills would give better results," said Anton Schaaf, Océ's chief technology and operations officer.

Fortis Bank Netherlands analyst Niels de Zwart said he doesn't expect Canon's offer to be topped by rival bidders. "Canon is paying a decent takeover premium," he said.

Mr. De Zwart has a "buy" rating on Océ's stock.

Océ's business was hurt as the global downturn affected some of the company's key markets, such as construction and manufacturing. Océ has been reviewing its strategic options and in April said it wouldn't rule anything out—a move viewed by analysts as a sign that the company gave in to shareholder pressure to seek a buyer.

Bestinver Gestion SA, a holder of about 9.5% of Océ's outstanding shares, as well as Ducatus NV, ASR Nederland NV and ING AM Insurance Cos., holders of cumulative preference shares that carry about 19% of Océ's voting rights, have all said they will support the offer.

Canon said it expects its net income for 2009 to decline to 110 billion yen from 309 billion yen a year earlier, as the company expects sales of its office equipment to shrink amid prolonged weak market conditions. Océ, which employs about 22,000 people, generated €2.9 billion in revenue in 2008, down 6.5% from €3.1 billion in 2007.

—Ayai Tomisawa and Maaike Noordhuis contributed to this article.

Vodafone seeks time to reply on India taxes

By R. Jai Krishna And Deepali Gupta

NEW DELHI—**Vodafone Group** PLC said Monday it sought an extension from India's income-tax department to explain the reasons for not deducting tax while paying $11.2 billion to buy a majority stake in an Indian mobile-phone operator.

Vodafone, the world's biggest mobile operator by revenue, had until Nov. 16 to respond to a show-cause notice sent by the department Oct. 30. "We are working with the [Indian] tax office to obtain an extension to file a response to the show-cause notice," Vodafone said.

Indian officials have said the tax bill would typically be about 20% of the deal value, though Vodafone's potential liability hasn't been determined.

India has slapped a tax bill on a Vodafone arm related to its 2007 acquisition of a 67% stake in Hutchison Essar Ltd. from CPG Ltd., owned by **Hutchison Telecommunications International** Ltd. But the arm, Netherlands-registered Vodafone International, has argued that the deal with Cayman Islands-registered CPG isn't liable to be taxed in India as it took place on foreign soil.

India's tax department says Vodafone is liable for taxes because the transaction involved the transfer of an Indian asset. It says also that Vodafone should have withheld tax .

Boeing and Airbus pin hopes on Middle East

DUBAI—Middle East airlines will lead the global aviation industry out of its worst downturn in years, the world's top plane makers said Monday on the second day of a Dubai Airshow that produced few orders.

*By **Stefania Bianchi, Nour Malas** and **Alex Delmar-Morgan***

"The Middle East is still the hub of aviation growth," Airbus Chief Executive Tom Enders said at the show, held at Dubai International Airport.

Randy Tinseth, commercial-marketing vice president for **Boeing** Co., echoed the bullish mood, saying "we see tremendous growth for the Middle East."

Plane makers, under pressure in Europe and the U.S., hope that oil prices above $70 a barrel will help the region's mostly state-owned airlines continue expanding as their international rivals get hammered by the global economic downturn.

In recent years, carriers from the Middle East, whose buying power swelled with oil revenue, dominated annual air shows, placing huge orders with Boeing and Airbus. But the Dubai Airshow delivered few big-ticket orders on its second day despite the hopeful words of executives from Boeing and Airbus, the world's largest plane makers.

Boeing expects Mideast passenger-jet demand to total 1,710 new planes valued at about $300 billion over the next 20 years, while Airbus, a wholly owned unit of **European Aeronautic Defence & Space** Co., said the region will need 1,418 passenger aircraft worth $243 billion over the same period.

Mr. Tinseth said Chicago-based Boeing expects Mideast passenger traffic to grow at an average rate of 4.9% annually for the next 20 years. Boeing also expects that it and Airbus will deliver 150 freighters to Middle East carriers over the next 20 years.

"The recovery begins here," said John Leahy, Airbus's chief operating officer for customers.

Airbus parent EADS on Monday reported a third-quarter net loss, hit by the strength of the euro and cost increases, and as the economic downturn and the crisis in the airline industry forced Airbus to lower jet prices. It also warned that it is being hurt by problems with both its Airbus A380 super-jumbo program and the A400M military-transporter program.

The commercial-jet, helicopter and defense company posted a net loss of €87 million ($129.8 million), compared with a net profit of €679 million a year earlier. Revenue declined 1.8% to €9.53 billion.

EADS has been hit hard by the economic downturn, which has eroded airlines' finances. Although there is a risk that future aircraft deliveries may be imperiled, EADS said it sees signs that its business environment is starting to turn.

Airbus Monday signed a deal with **Yemenia Airways** for 10 A320 aircraft in a deal valued at $700 million at list prices.

—David Pearson contributed to this article.

Buy this for breakfast

Explore this for the rest of the day

ASIA'S LEADING INTERNATIONAL DAILY, IN PRINT & ONLINE FOR ONE SUBSCRIPTION

Knowledge is vital. But knowledge is nothing without understanding.
That's why for over 30 years Asia's most successful business leaders have started their day with The Wall Street Journal Asia.
To receive a copy on your doorstep first thing every morning and on your desktop every minute of the day, visit www.wsj-asia.com/sub/06 or call Hong Kong +852 2831 2555; China +8621 5836 8228 ext.107; India 1-800-102-4783 (toll-free)

Understand your fast changing world

THE WALL STREET JOURNAL. ASIA

PRINT · ONLINE · MOBILE

Opel might not get German aid

Minister says assistance must be reconsidered, given GM's reversal of sale plan

By Patrick McGroarty And Roman Kessler

FRANKFURT—Germany's new economics minister said Monday that former offers of federal aid for **General Motors** Co.'s German subsidiary, Adam Opel GmbH, have to be reconsidered after GM reversed plans to sell the unit.

"Just as any other company, [Opel] has the right to apply for new state help," Rainer Bruederle said at a financial conference. "It's a new situation that has emerged—old deals need to be reconsidered," Mr. Bruederle said.

Over the past three months, German state and federal officials had backed a deal to help a consortium led by Austrian-Canadian auto-parts maker Magna International Inc. take over Opel with aid from the federal government. But the GM board changed course, deciding on Nov. 3 to keep the unit and others in Europe, rather than sell them.

Mr. Bruederle said Monday the aid offer was no longer binding, and in an interview with the Bild am Sonntag newspaper Sunday he suggested that states with Opel factories could contribute aid to GM's restructuring if they wished.

Some German state governors reacted angrily to the comments, accusing Mr. Bruederle of backing out of an agreement on the terms for Opel aid that they reached at a meeting in Berlin earlier this month.

"When [the restructuring plan] is presented, the federal government and states will—as before–respond together," Juergen Ruettgers, governor of the state of North Rhine-Westphalia, said Monday

Mr. Bruederle's disinclination to provide Opel with more federal aid appeared to be a departure from Chancellor Angela Merkel's speech to parliament last week, when she said that GM should contribute "the main part" of funding under any plan her government might support . Her finance minister, and fellow Christian Democrat, Wolfgang Schaeuble, has also said Opel might receive government aid.

Christoph Stuermer, an automotive industry analyst at IHS Global Insight, said Mrs. Merkel appears to have a better grasp than her economics minister of Opel's troubles, and to be speaking more realistically about her government's willingness to help mitigate them. "But it's also possible they are playing a good guy/bad guy game," Mr. Stuermer said. "They want the message out there that 'not everyone can come to us' " for aid, he added.

GM is working on a restructuring that includes at least €1 billion ($1.49 billion) of its own money and less reliance on German aid, people familiar with the plan said Friday. The plan also foresees Poland, Spain, the U.K. and potentially other countries contributing about €1 billion and would require concessions from labor unions.

Last week, GM Chairman Edward Whitacre suggested that the company could pay to restructure Opel and its U.K. sister brand, Vauxhall, though the auto maker later issued a statement saying it would need financial support from employees and governments.

A spokesman for Mrs. Merkel released a statement Friday saying GM was responsible for Opel, and Berlin would consider an aid request under terms of its fund for companies hurt by the fianancialisis. .

Reuters

German Economy Minister Rainer Bruederle, at left, says Germany will have to reconsider its aid offer to GM's Opel.

GM crawls toward recovery, posting loss

Continued from page 21

to drive revenue, though sales in the nation doubled in the third quarter. The majority of its Chinese sales are through GM's Wuling microvan venture, of which GM owns a third. The vehicles typically sell for a fraction of what U.S. vehicles cost and GM must share profits with its partners. Mr. Henderson warned that GM can't depend on China's rapid growth to continue, given the region's volatility.

GM also tempered its expectations for industrywide U.S. sales next year, forecasting 11 million to 12 million vehicles. Earlier this year, company executives said the market could hit 12.5 million vehicles.

GM posted positive cash flow of $3.3 billion excluding items and said its core North American unit lost $651 million. Its international business posted a $238 million profit.

Mr. Henderson said the company "should be ready" for an initial public stock offering in the second half of next year but stressed the importance of beginning to repay U.S. and Canadian loans. "We think it's important that we show the taxpayer we can repay this investment," he said in a news conference.

GM's progress comes as rival car makers have reported improved results following a dire first half, helped by government incentive programs and steep production cuts.

Mr. Henderson said the bulk of GM's U.S. restructuring is complete, though it is working to consolidate its massive operations in Michigan.

His most immediate task will be to craft a restructuring for the company's European operations following GM's decision to retain the money-losing Opel and Vauxhall unit. Mr. Henderson said the plan should be complete in "weeks" and that a new European chief will take over in coming months.

The third-quarter results don't comply with generally accepted accounting principles and exclude items such as valuation changes for pensions and health care.

H&M October sales fell 3%, with weakness in U.S.

By Karl Bruze

STOCKHOLM— **Hennes & Mauritz** AB reported worse-than-expected sales in October, fueling concerns the Swedish fashion retailer is losing market share in key countries, with turnover particularly hit in France, Spain and the U.S.

Sales at stores open for at least a year, a metric known as same-store sales, fell 3% in October, its sixth straight month of falling sales. The result confounded expectations for a 3% rise and triggered a drop in the retailer's shares.

H&M, which launched a limited line of Jimmy Choo shoes and accessories on Saturday, is known for its low-priced, fashionable clothes, selling limited collections from established designers including Karl Lagerfeld, Stella McCartney and Matthew Williamson.

"We're incredibly satisfied with the [Jimmy Choo] campaign," said Nils Vinge, head of H&M investor relations. "There is enormous interest all over the world and most of the collection sold out in the opening days," he said, noting that the campaign helps attract customers to the stores and position the brand, while also boosting sales.

> 'Sales in Scandinavia, Central Europe and Asia were very satisfactory.'

Total sales, which include sales in new stores, rose 7% in October, but missed forecasts for a 13% rise. The company, which reports only percentage changes for its monthly sales, said it had 1,925 stores at the end of October compared with 1,702 stores a year earlier.

H&M has recorded falling same-store sales in 14 of the last 15 months, but said the global recession was affecting its customers differently.

"Sales in Scandinavia, Central Europe and Asia were very satisfactory, while most other markets, primarily France, Spain and the U.S., had a continued weak sales development," the retailer said.

H&M is the world's third-largest fashion chain by revenue, behind Gap Inc., which recently posted a 4% increase in same-store sales for October, and Spain's Inditex SA.

"It's a big disappointment," Credit Suisse said in a note, adding that October was at least better than the 11% and 8% declines seen in August and September, respectively. "September and October are the core months for the outerwear season and as such the season has been lost so far as H&M is concerned."

H&M doesn't give sales data for individual markets on a monthly basis, but Evli Bank analyst Anders Wiklund said the October sales figures could imply H&M is losing market share in the U.S., given the monthly figures from Gap. "They haven't had problems with collections for a long time, but one begins to ask if that could be it," Mr. Wiklund said.

One Stockholm analyst said that while continental Europe is holding up well, the latest sales data dashed hopes that H&M's U.S. operations are on track.

"There are large differences between markets. The U.S. was not good during the third quarter, and it has continued in October," the analyst added.

In Monday trading, H&M stock lost 3.6%to 420.50 Swedish kronor ($61.61) on a broadly flat Stockholm market.

Incitec posts an annual loss on write-down

By Andrew Harrison

MELBOURNE, Australia—**Incitec Pivot** Ltd., Australia's largest fertilizer producer, swung to a net loss for the fiscal year ended Sept. 30, reflecting an unexpected goodwill write-down of the company's **Dyno Nobel** explosives business, which it purchased in June 2008.

Incitec on Monday posted a full-year net loss of 179.9 million Australian dollars ($168.1 million), compared with a net profit of A$604.6 million a year earlier.

Revenue rose 17% to A$3.42 billion from A$2.92 billion amid Incitec's first full year of Dyno ownership. Dyno accounted for about half of Incitec's fiscal 2009 revenue.

Chief Executive James Fazzino said Incitec had experienced "unprecedented global volatility" in its business, with global fertilizer applications down 30% and prices down as much as 60%. "For 2010, our view is that it'll be another challenging year," he said.

Mr. Fazzino declined to give a full-year profit forecast because of uncertainty about fertilizer demand and North American seasonal conditions, and the volatility of the Australian and U.S. currencies.

Incitec is focusing on cutting costs and debt and streamlining its business, he said. The company will stop ammonium-nitrate output at its Battle Mountain plant in Nevada and its Maitland plant in Ontario, Canada. The sites, with a combined annual output of 390,000 tons, weren't profitable, Mr. Fazzino said.

Further restructuring and cost cutting is expected to deliver US$60 million to Incitec's earnings before interest and tax and US$20 million to its cash flow this year, Mr. Fazzino said.

In 2008 Melbourne-based Incitec became the world's second-largest explosive maker, after market leader Orica Ltd., with its A$2.3 billion acquisition of Dyno Nobel Ltd., the largest explosives maker in the U.S.

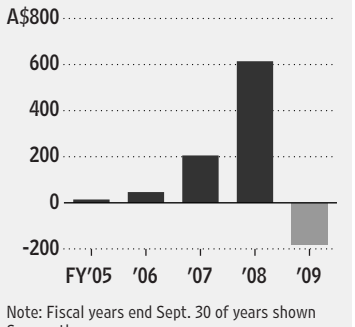
The company booked one-time items of A$527.7 million, including A$490.6 million for a noncash charge for the Dyno business, partly to reflect cyclical softness in the North American explosives market and the higher cost of capital.

Excluding the Dyno Nobel write-down and other items, Incitec recorded a profit of A$347.8 million, down 46% from A$647.5 million in fiscal 2008.

Before the significant items, Incitec's earnings before interest and tax fell 40% to A$575.7 million, with 52% of its 2009 earnings from explosives and 48% from fertilizer production.

Incitec Pivot

Net profit/loss in millions of Australian dollars



Note: Fiscal years end Sept. 30 of years shown
Source: the company

Chi Mei's deal with Innolux draws inquiry

Taiwan Stock Exchange wants to know why company denied talks just a day before announcement

By Perris Lee Choon Siong And Charmian Kok

TAIPEI—The Taiwan Stock Exchange has asked **Chi Mei Optoelectronics** Corp. for an explanation for denying it was in merger talks Friday and then announcing the sale of the company to **Innolux Display** Corp. the following morning.

Monday's request comes as others in the industry study the effects of the deal, which is expected to accelerate consolidation in Taiwan's flat-panel display industry.

Innolux said Saturday that it agreed to acquire Chi Mei in an all-share deal valued at Friday's share price at US$5.3 billion. On Friday, Chi Mei spokesman Denis Chen denied the company was in M&A talks with Innolux. Chi Mei also issued a statement Friday afternoon denying a local media report that it was being courted by AU Optronics Corp. and Hon Hai Precision Industry Co., which is an affiliate of Innolux.

"Their denial Friday was clearly misleading," Stanley Chu, the stock exchange's senior executive vice president, said.

Mr. Chen and Innolux Chairman Tuan Hsing Chien didn't respond to requests for comment Monday.

Mr. Chu said the exchange's market-monitor division is also investigating whether there was any unusual trading of the companies' shares ahead of the announcement of the deal.

Bloomberg News

Analysts said Innolux's acquisition of Chimei would be good for Taiwan's flat-panel industry as it competes in China.

On Friday, Chi Mei ended 4.4% higher at 18.80 New Taiwan dollars (58.4 U.S. cents) and was the day's second-most actively traded stock. Innolux ended flat at NT$47, while Hon Hai finished 1.1% higher at NT$133. The Taipei Weighted closed 0.1% lower at 7665.63.

On Monday, Chi Mei closed up 6.9% at NT$20.10 while Innolux ended 3% higher at NT$48.40. Taiwan's stock index rose 1.7% to 7792.68.

"The deal is still likely to go through because the regulatory authorities will probably not see this as a severe transgression of any sort," said Matt Cleary, an analyst at Deutsche Securities. "The bigger issue is that corporate governance and information disclosure are areas Taiwan should improve on."

The deal has spurred consolidation speculation elsewhere in the industry. Shares of **Chunghwa Picture Tubes** Ltd. rose by their 7% daily limit to close at NT$3.68 Monday following media reports of merger interest. The company's investor-relations department said it had no comment.

Four major players, including Innolux and **Chunghwa Picture Tubes**, compete in Taiwan's LCD market. Consolidation in the industry will help boost their competitiveness against South Korean rivals and facilitate their foray into the growing Chinese market, industry experts said.

"We believe the merger [between Chi Mei and Innolux] is good for the flat-panel industry as a whole. With fewer LCD panel makers, there will be less pricing pressure, and less competition for materials," said Yawen Hsiao, a spokeswoman at AU Optronics.

Ms. Hsiao wouldn't comment directly on whether the company was looking at smaller LCD panel makers. "We have our own strategic plan to deal with future competition. We will tap into high growth markets and provide our customers with higher value-added services in the area of e-paper, solar energy and energy services."

The deal between Chi Mei Optoelectronics and Innolux will give the new company a stronger foothold in the Chinese market, analysts say. Chi Mei is now a supplier for major Chinese TV vendors and is expected to boost its market share, helped by Hon Hai's plan to expand its electronics retail operations in China.

BBI investors approve a recapitalization plan

By Bill Lindsay

SYDNEY—Investors in **Babcock & Brown Infrastructure Group** approved a A$1.8 billion (US$1.68 billion) recapitalization proposal by Canada's **Brookfield Asset Management** Inc., in a move needed to stave off the likely collapse of the indebted fund.

BBI is struggling with about A$9 billion of debt across its suite of global transport and energy infrastructure assets acquired before the onset of the global financial crisis. It sold three assets earlier this year to help meet repayments.

However, saddled with a complex debt and ownership structure, the group has sought a white knight, after realizing it was unlikely that asset sales alone could deliver proceeds required to meet a A$300 million corporate-debt maturity in February 2010.

"We are very pleased with the support that we received from both groups of BBI security holders for our proposal," Brookfield Chief Executive Sam Pollock said. "These approvals are a major milestone in the completion of the recapitalization."

BBI Chairman David Hamill, who had recommended that investors approve Brookfield's proposal over a A$1.5 billion restructuring plan from **Royal Bank of Scotland Group** PLC, said the firm received "overwhelming support" from its two groups of equity investors, those holding 2.59 billion ordinary securities and the holders of 779 million exchangeable preference shares.

Mr. Hamill said that without a recapitalization or debt restructure, "There is a very real risk that at some point in early 2010, BBI would not be able to meet its debt repayment obligations and may need to be placed into voluntary administration."

BBI will remove a unit of failed investment house Babcock & Brown Ltd. as its manager, and investors also approved Monday a change of name for the group to Prime Infrastructure Holdings Ltd.

BBI realized that asset sales alone wouldn't provide the money needed to meet a February debt repayment.

Brookfield plans to take a stake of up to 39.9% in the restructured group.

The recapitalization will include an equity raising of A$1.5 billion, including a A$625 million placement to Brookfield, a global property and infrastructure investor with more than US$80 billion in assets under management.

A further A$625 million will be raised from a placement to institutional investors and an additional A$250 million from a security purchase plan, both underwritten by Credit Suisse Group and Macquarie.

It expects the recapitalization to be completed Friday.

—Andrew Harrison contributed to this article.

AKUO ENERGY
TURKEY
AKUO ENERGY

"Turkey, with its booming economy, rising industry and young population, stands out among the rest. Its potential for renewable energy resources offers promising energy support for sustainable and environmentally-conscious development. Akuo Energy, through its subsidiary Perfect Wind Energy, will be there with several renewable energy plants to give concrete expression to development and investment efforts in Turkey."

akuo ENERGY
Eric Jean Francois SCOTTO,
President of Akuo Energy Group and Perfect Wind Energy, Turkey

INVEST IN TURKEY

- A population of 72 million people with an average age of 28.5
- 61% of the population is below 34 years of age
- Approximately 450,000 graduates per year from 143 universities
- Over 24 million young, well-educated and motivated labor force
- Highly competitive investment conditions
- A country that offers 100% and more tax deductions on R&D expenditures
- Access to Europe, Caucasus, Central Asia, the Middle East and North Africa
- 15th largest economy of the world and the 6th largest economy as compared to the 27 EU countries in 2008 (IMF-WEO)
- 15th most attractive FDI destination for 2008-2010 (UNCTAD World Investment Prospects Survey)
- Average annual real GDP growth of 6% for the last 5 years

REPUBLIC OF TURKEY PRIME MINISTRY
INVESTMENT SUPPORT AND
PROMOTION AGENCY
YOUR ONE-STOP-SHOP
IN TURKEY
invest.gov.tr

Defaults slow amid a refinancing wave

Some struggling companies are accessing the credit markets,avoiding having to file for bankruptcy

By Mike Spector
And Kate Haywood

The bankruptcy boom is going bust—for now.

The financial crisis created one of the worst periods in U.S. history for corporate bankruptcies, felling the likes of **Circuit City Stores** Inc., **General Motors** Corp. and **CIT Group** Inc.

Now corporate failures have slowed, as companies once on the verge of default have found a new life. These companies are now refinancing their balance sheets with new debt, pushing out maturities on existing loans or using distressed-debt exchanges to avoid a bankruptcy filing.

Speculative-grade companies—or those with "junk" credit ratings—have issued about $123 billion in new bonds this year, compared with roughly $48 billion in all of last year, according to data provider Dealogic. These debt offerings are on a record pace, and analysts have revised their bleakest debt-default forecasts from the start of 2009.

At the height of the credit crisis in January, Moody's Investors Service predicted that as much as 16.4% of U.S. junk-rated companies would have defaulted in the past 12 months. Some analysts said the default rate might not peak until the first quarter of 2010.

Now, Moody's expects that U.S. default rate to peak at 13.6% this month and fall to 4.4% a year from now. Just three large publicly traded companies filed for bankruptcy-court protection in September and six filed in October, down from 16 in March, according to data compiled by Lynn LoPucki, a University of California, Los Angeles law professor.

Despite the slowdown, there have been signs in recent weeks that corporate bankruptcies could remain steady or even increase. There have been several high-profile filings including **Capmark Financial** and CIT. Already five big companies have filed in November.

"Six months ago, no one thought that many of these companies could access the high-yield market. But the window has opened for now," said Barclays Capital restructuring chief Mark Shapiro.

It remains unclear "how long the window will stay open," Mr. Shapiro said, but "for now it's helping a lot of companies avert restructurings or bankruptcies that would have otherwise occurred in the next year."

Indeed, distressed companies were shut out of credit markets in the winter as investors demanded yields on junk bonds that typically exceeded 20%. Now, average yields are closer to 10%, according to the Merrill Lynch U.S. High-Yield Master II Index.

Bloomberg News

A woman browses at a Park Ridge, Ill., Blockbuster last week. The video-rental chain has recently eased its bank obligations.

The Federal Reserve has helped open up this market by keeping interest rates near zero. If the Fed peels its recent layers of market support, debt-laden companies could find it more prohibitive to refinance their billions of dollars in looming bond and loan maturities.

These struggling companies were effectively saved by the government, which has poured cash into the financial markets, driving down the yields on safe securities. That has forced investors to ramp up their risk in order to get a decent return.

Individual investors, for example, have poured about $18 billion of cash into high-yield bond funds this year, according to Lipper FMI. That is the most since 2002, according to Babson Capital.

In April, for instance, auditors raised doubts about whether **Blockbuster** Inc. could avoid bankruptcy court. But in October, the movie-rental chain raised $675 million from the sale of new bonds to reduce looming obligations to banks. Amid strong demand for the bonds, the company raised twice as much as it had first sought.

Other companies including casino operators **Harrah's Entertainment** Inc. and **MGM Mirage**, and home builder **Beazer Homes** Inc. have tapped credit markets to refinance existing debt after months of bankruptcy worries.

Some have been able to "amend and extend" loans. **Michaels Stores** Inc. pushed out a $1 billion loan maturity by three years to 2016. **Ford Motor** Co., which averted government aid by grabbing $24 billion in financing three years ago before credit markets collapsed, just asked its lenders to extend as much of its $11.5 billion revolving credit facility as possible by two years to November 2013.

Still, many analysts worry that the refinancing wave amounts only to "kicking the can" down the road, without fundamentally solving companies' broken capital structures. Among weaker companies, about $1.4 trillion in bonds and loans will still come due in the next five years, said Dominic DiNapoli, the chief operating officer of FTI Consulting, a business advisory firm.

"It's a staggering amount of money," said Michael Imber, who does restructuring work for financial-advisory firm Grant Thornton LLP. He and other restructuring experts said many businesses will remain challenged amid 10% unemployment and still-fragile markets.

"Nobody can forecast revenue right now. The consumer is still unsteady," Mr. Imber said. "There is going to be a steady stream of problems ahead of us."

Despite increased access to the market, most of the companies currently refinancing are still deep in junk territory. Many appear on a monthly Moody's watch list of companies in risk of defaulting on their debt. Moody's latest list—formerly called the "Bottom Rung"—flags 274 companies rated B3 or lower that carry roughly $263 billion of rated bank and bond debt. The companies represent nearly 18% of all U.S. companies Moody's rates.

In normal periods, high debt issuance is a sign of economic robustness, as companies use new capital to expand. But the current volume of new debt "is nearly 100% refinancing. It's not new issue in the classic sense," said Richard Banziger, a managing director at Citigroup Inc., during a recent gathering of the Turnaround Management Association. "From that perspective, it's less healthy."

Investors are willing to flock to these companies, though, and are proving amenable to distressed exchange offers. In these deals, bondholders trade existing debt for new debt maturing later, equity in a restructured company, or both.

YRC Worldwide Inc., a struggling trucking company, just asked bondholders holding about $537 million in debt to exchange their holdings for 95% equity in a reorganized company. "We're doing all of this out of court," said Bill Zollars, YRC's chairman and chief executive, in an interview.

Mr. Zollars said the company would seek other bankruptcy alternatives should the exchange fail, but "we're pretty confident that this will, in fact, get executed according to plan." A person familiar with the situation said enough bondholders would likely agree to the deal.

Such offers don't always work. **Energy Future Holdings** Corp.—the Texas power company formerly known as **TXU** Corp. that was acquired two years ago in a record-setting buyout by private-equity firms **Kohlberg Kravis Roberts** & Co. and TPG—recently only garnered $357.5 million in a debt exchange. The company had aimed to wipe out $3 billion in debt.

Heading into next year, "workouts still will be a hot place to be," said Diane Vazza, head of global fixed-income research at Standard & Poor's.

J.P. Morgan nears a deal to buy the rest of Cazenove

By Dana Cimilluca
And Sara Schaefer Muñoz

LONDON — **J.P. Morgan Chase** & Co. is closing in on a deal to buy out its U.K. joint-venture partner, the venerable broker **Cazenove** Group, for a little less than £1 billion ($1.67 billion), according to people familiar with the matter.

In the coming weeks, the two sides are expected to agree to a deal in which J.P. Morgan would buy the 50% of the investment-banking partnership it doesn't own, the people said, though they cautioned a deal hasn't been struck. The deal hasn't gained approval from the necessary boards and committees, say people close to the matter

J.P. Morgan paid about £100 million in 2004 for a 50% stake in the venture with Cazenove.

J.P. Morgan Cazenove, run since last year by Chief Executive Naguib Kheraj, former finance chief of Barclays PLC, is a storied firm in the City of London. Tracing its roots to 1819, Cazenove became one of London's leading stockbrokers in the mid-1930s, according to its Web site. In the 1980s, it played a key role in the U.K. government's historic privatization drive.

The firm, famous for being the Queen's broker, also has been the corporate broker to a number of the U.K.'s biggest and most important companies, helping them interface with investors. That has helped the joint venture win coveted investment-banking mandates here, advising clients on merger and underwriting deals and other matters.

J.P. Morgan Cazenove has worked on a number of marquee U.K. deals this year, such as Lloyds Banking Group PLC's recent £13.5 billion share sale.

In the first nine months of this year, J.P. Morgan Cazenove ranked first in underwriting primary U.K. equity issuance, with $19.5 billion of deals to its credit and a 27% market share, according to its Web site.

J.P. Morgan, which has emerged from the financial crisis relatively unscathed, appears to be taking advantage of that strength to scoop up its U.K. affiliate. Cazenove's partnership with J.P. Morgan, struck five years ago, gave the U.S. bank the option to buy the rest of the venture by February 2010.It also carried an option for Cazenove's 1,500 owners to force a full sale to J.P. Morgan.

J.P. Morgan was long expected to take full ownership of the venture; the question was when it would do so.

MARKETS

Gold's rise continues, lifting other metals

Palladium, platinum hit highest levels in more than a year on dollar weakness, global stimulus moves

By Devon Maylie

Continued dollar weakness sent gold to another record Monday and lifted platinum and palladium to more than 12-month highs.

Late morning in New York, most-active December gold contract was up $17.10 at $1,133.80 an ounce after hitting $1,134.90, a most-active record on the Comex division of the New York Mercantile exchange. Thinly traded nearby November gold was up $15.30 at $1,131.40 after hitting a front-month record during the session.

The reasons behind gold's ascent haven't changed in recent weeks, and the precious metal has hit a new high almost daily since the start of the month.

Investors have long regarded gold as a particularly effective hedge against fluctuations in the dollar, the world's main trading currency. As investors flee the dollar, they are moving into hard assets such as gold and other commodities, which can be considered riskier but also have the potential for stronger gains.

"The near-term path of the U.S. dollar and investor risk sentiment will largely determine gold prices," said HSBC analyst James Steel. Dollar weakness is expected to continue for some time as U.S. interest rates remain low and governments indicate they won't end their economic stimulus packages yet.

Platinum soared $48.40 an ounce to a 14-month high of $1,436.80 on Comex, and palladium jumped $17.90 an ounce to a 15-month peak of $374.85, buoyed by gold's rise and the dollar's recent decline. Silver hit a four-week high of $18.25 an ounce. Other commodities also rose, with copper hitting a new 2009 high and the highest since September last year, at $6,795 a metric ton.

Gold has been rising steadily since the start of the month when India's central bank announced it had bought about half of the gold the International Monetary Fund earmarked for sale. Comments from governments that they will continue with their stimulus packages should keep liquidity flowing and support gold, analysts say. Pacific Rim government leaders vowed Sunday to continue economic stimulus policies until recovery is assured.

"Everything is being driven by sentiment and the weaker dollar," said Commerzbank commodity analyst Eugen Weinberg. "There is high liquidity in the system and that money will find its way into commodities."

Platinum and palladium, viewed as industrial and precious metals, are benefiting from the rise in gold and also from investor hopes that industrial metal demand will improve next year, Commerzbank's Mr. Weinberg said.

Gold futures

Daily settlement price on the continuous front-month contract on the Comex division of Nymex

Monday 11 a.m. EST: $1131.4 a troy ounce

Source: Thomson Reuters via WSJ Market Data Group; Reuters (photo)

Reuters

A shopkeeper shows gold bangles to a customer at a jewelry shop in Mumbai, India.

MARKETBEAT

Breaking Insight From WSJ.com

In China, Obama excites speculators

Renewable-energy shares get lift from climate hopes, driving up main indexes

In China's liquidity-driven, detached-from-fundamentals stock market, anything can be an excuse for speculators to drive prices up or down, not least a visit by U.S. President Barack Obama.

Despite the prospect of trade friction between the U.S. and China, Chinese investors looked determined to focus on the short term and pushed the country's main stock indexes up again Monday, hours into Mr. Obama's visit to China.

While the president was advocating an unshackled Internet to a group of carefully selected Chinese students in Shanghai, China's often apolitical investors were busy pouring money into renewable-energy stocks as they cited climate change as one of the major topics during talks Mr. Obama will discuss with Chinese President Hu Jintao during his visit.

The Shanghai Composite Index, which covers both Class A and Class B shares, ended up 2.7%, or 87.40 points, at 3275.05, its highest closing level since Aug. 6.

"Speculative investors extended Obama a warm welcome by putting funds into these stocks as they expect China and the U.S. to reach some agreements to expand their cooperation in reducing carbon emissions," said Li Xianming, an analyst at Ping An Securities.

Zhejiang Feida Environmental Science & Technology surged by the 10% daily limit and Shanxi Lu'an Environmental Energy Development did the same.

Shanghai B-share index

Monday's close: **250.24, down 0.4%**

Source: Thomson Reuters via WSJ Market Data Group

Monday's rise in the composite index came despite a disappointing Asia-Pacific Economic Cooperation meeting over the weekend in Singapore, where Pacific Rim leaders failed to reach an agreement on climate change, leaving in doubt prospects for a successful summit in Copenhagen next month.

Maybe, ironically, Mr. Obama's visit also coincided with the end of a rally in China's foreign currency-denominated B shares, where profit-taking finally set in Monday.

The often illiquid and dormant B-share market rallied late last week on hopes Mr. Obama might succeed in pressuring Beijing to let the yuan appreciate. However, as Chinese officials reiterated their commitment to existing foreign-exchange and monetary policies at APEC, the frenzy began to fade.

The U.S. dollar-denominated B-share index on the Shanghai Stock Exchange dropped 0.4%, to 250.24, after soaring 9.4% Friday.

In a speculation-oriented market like China's, there always is excitement before important events. After that, the speculators either sell or, more often, simply look for the next big story.

—Rose Yu

Haitong holds exclusive talks to buy Taifook

By Amy Or And Jackie Cheung

HONG KONG—China's **Haitong Securities** Co. is in exclusive talks to buy **Taifook Securities Group** Ltd. from **NWS Holdings** Ltd. in a deal that values the Hong Kong brokerage at around US$450 million, people familiar with the situation said Monday.

NWS Holdings, the services and infrastructure arm of property developer **New World Development** Co., is looking to sell its entire 61.87% stake in Taifook, one person said.

Haitong will make a general offer for the rest of the shares which are publicly traded, the person added.

Haitong Securities, the second-largest brokerage in China by assets after Citic Securities Co., is looking to pay HK$5 (65 U.S. cents) a share for the stake in Hong Kong-listed Taifook—a premium of about 3% to Taifook's Friday closing price HK$4.85.

If the deal proceeds, it will be the first time a Chinese brokerage has bought a Hong Kong counterpart.

Analysts said Haitong's aim is to acquire retail-focused Taifook to access the Hong Kong firm's wide array of fund products, as well as some of the inflows of mainland Chinese money into locally listed shares.

Although mainland Chinese individuals aren't allowed to invest in Hong Kong stocks from within China, many travel to Hong Kong to open brokerage accounts.

NWS also had talks to sell Taifook to two of China's biggest banks—**Industrial & Commercial Bank of China** Ltd. and **China Construction Bank** Corp.

But Taifook's strong retail focus was more of interest for Haitong, the people said.

THE MART

AVIATION

FOR PRIVATE JET CHARTER
THERE IS ONLY ONEWAY™ TO FLY ONEWAY™
ANYWHERE. ANY PLANE. ANY TIME.
CIVILIAN ONE JETS™
001-212-683-0300
WWW.CIVILIANONEJETS.COM
Civilian One Jets serves as an air charter broker and an agent for our customers in obtaining air charter services. COJ does not own or operate the aircraft which our customers fly.

BUSINESS OPPORTUNITIES

CORRIGENDUM
HPCL
WorleyParsons
The Bid Due Date for Global Notice Inviting Tender No.: 9000043-HD-10129 (0435-JH0902-00-PP-RFQ-0019) for LAYING OF PIPELINE AND ASSOCIATED WORKS FOR RAMANMANDI-BATHINDA & RAMANMANDI-BAHADURGARH has been extended upto 23.11.2009 (15.00 Hrs IST)
For further details visit Website: http://www.hindustanpetroleum.com or www.worleyparsons.com/mumbaitenders

HONG KONG, GERMANY
SCANDINAVIA & EU
LAUNCHING NOW
This is the Network Marketing Elite to end all Elites.
Have you got what it takes to join the Worldwide Leadership Team?
24Hr Msge: +44 (0)1372 466270
WorldwideReply@Yahoo.com

YOUR VISION
YOUR SEED CAPITAL
I Will Make It Happen
Energetic, ethical, & seasoned executive seeks clear-thinking, plain-dealing well-financed entrepreneur.
Call John: 973-525-5207
Core Competence, LLC
Princeton, NJ

BUSINESS OPPORTUNITIES

Tax Credits
For Sale
$700,000 per yr. for 10 years.
Must be a C Corp.
Dan 614 679 6672
dslane@theslanecompany.com

BUSINESS SERVICES

Need a Plan to Expand, Acquire or Launch a Business?
Since 1974 our institutional business plans have raised billions in equity and debt funding for our clients worldwide!
www.StillmanGeorge.com
1.800.270.3954

TRAVEL

SAVE 60% FIRST/BUSINESS
Major Airlines. Corp. Travel
www.cookamerican.travel
(212) 201-1824
We Will Not Be Undersold
Cook American Express Rep.
Travel Services Representative

MAKE GREAT CONNECTIONS IN ASIA.
THE WALL STREET JOURNAL ASIA.

Brian Tong
Sales Director
Classified Advertising
The Wall Street Journal Asia
Hong Kong: 852 2831 2552
Fax: 852 2574 2618
Singapore: 65 6415 4279
Fax: 65 6225 5039
brian.tong@dowjones.com
THE WALL STREET JOURNAL. ASIA

A shopper pushes a shopping cart through the parking lot of the Hamilton Marketplace in Hamilton, N.J,. on Sunday.

Developer tests the bond market

Conservative offering could pave a route for credit-starved real-estate industry

By Lingling Wei

Demand was expected to be strong Monday for the first sale of commercial-mortgage-backed securities under a U.S. government rescue program designed, in part, to ease the mounting stress in the commercial-property sector.

But the strong demand is partly a reflection of the conservative underwriting of the $400 million in bonds backed by 28 **Developers Diversified Realty** Corp. shopping centers, in terms of the quality of the assets underlying the loan and the loan amount relative to the value of the properties.

While the deal may help reopen a vital funding source for some commercial-property investors, it will likely provide little solace to owners of tens of billions of dollars of office buildings, shopping centers and other commercial properties that are worth less than their mortgages.

The deal is the first issue of commercial-mortgage-backed securities under the Federal Reserve's Term Asset-Backed Securities Loan Facility, or TALF, program. Under the program, investors can borrow from the Fed as much as 85% of the CMBS bonds' value by pledging the securities as collateral. By taking advantage of that leverage, investors will be able to boost their returns.

The sale of the real-estate investment trust Developers Diversified bonds is more than three times oversubscribed, according to price talk among investors who are considering buying the paper. The healthy appetite enabled **Goldman Sachs Group** Inc., the underwriter of the issue, to lower the unleveraged yield of the top-tier class of the bond issue to about 4%, those investors said. Many analysts and investors had expected the yield to be above that amount. A Goldman spokesman declined to comment.

"It's a great execution for the borrower," says Scott Simon, managing director and head of mortgage- and asset-backed securities portfolio manager at Pimco, a leading bond house. "If other real-estate investors can borrow money at that rate, it would be a real game changer for the commercial real-estate market that has been so devoid of financing."

Mr. Simon declined to comment on whether Pimco would buy any of the Diversified Realty bonds. Bids for the securities are expected to come from many mutual funds, insurance companies and other institutional investors. Firms that are considering the deal include Babson Capital Management, the investment-management unit of **Massachusetts Mutual Life Insurance** Co. and **Principal Financial Group**, according to people familiar with the matter. Babson Capital declined to comment. A representative at Principal Financial didn't respond to requests for comment.

Institutional investors are attracted to the deal because it is viewed as a low-risk investment with relatively healthy returns when compared with five-year Treasurys, which are yielding about 2%.

Investors buying the triple-A slice of the deal, totaling $323.5 million, can get an unleveraged return of about 4%, according to price information distributed to possible investors by Goldman late Friday and reviewed by The Wall Street Journal. If they finance their purchases with TALF funding, their returns can rise to about 6%.

The credit-starved real-estate industry and federal regulators are hoping that Developers Diversified's debt sale will pave the way for other CMBS deals and help uncork a market that had been one of the most important funding sources for commercial real estate in the past decade. They are worried that unless financing sources can be resurrected, the pain in the industry will get worse, threatening to unhinge the nascent economic recovery.

The deal reflects the high bar the Fed has set for loans eligible for TALF financing. The 28 shopping centers in 19 states securing the bonds have stable cash flow because they often are occupied by discount retailers that tend to attract business even in a recession. For instance, one of the properties is Hamilton Marketplace, near Princeton, N.J., a 957,000-square-foot property whose tenants include Wal-Mart Stores, Lowe's, BJ's Wholesale Club and supermarket ShopRite. According to credit rater Fitch Ratings, the property has maintained an average occupancy of 96.7% since 2006 and is 95.1% occupied.

The $400 million loan represents about half of the value of the underlying properties. By comparison, in the years before the financial crisis erupted in mid-2007, banks were willing to lend more than 70% of a property's value because the debt could be easily sold as CMBS. Even under a "stress" scenario, according to Fitch, the Developers Diversified properties would produce a cash flow of about 1.44 times what is required to service the debt. Back when credit was easy, the ratio for stress scenarios would even fall below one for many CMBS offerings.

The Developers Diversified deal also differs from past deals because the offering has been carved up into only three slices, with the Triple-A class representing about 80% of the deal and the rest consisting of Double-A and Single-A classes. Past deals often had more than 10 classes from investment grade to noninvestment grade.

"The market appears willing to accept very conservatively underwritten commercial mortgages backed by strong sponsors," says Thomas Zatko, managing director of the real-estate finance group at Babson Capital. "The availability of TALF financing is icing on the cake."

Developers Diversified, Beachwood, Ohio, announced in early October that it had borrowed the $400 million first mortgage from Goldman. The investment bank, which converted the five-year mortgage into CMBS, is expected to select buyers for that paper on Monday and close the deal Nov. 25.

CMBS offerings are considered one of the key tests for the TALF program, introduced by the Fed in March. Since then, TALF has been viewed as a moderate success, helping borrowers from auto companies and credit-card issuers raise capital. The Fed has made more than $40 billion in TALF loans to investors buying these securities, which has sparked a market rally and reduced the cost of borrowing.

The Fed extended TALF to include newly issued CMBS in June. In addition to the deal by Developers Diversified, a dozen or so other new CMBS deals also are hoping to take advantage of the program. Other CMBS deals in the pipeline include those by **Inland Western Retail Real Estate Trust** Inc. and **Vornado Realty Trust**. **J.P. Morgan Chase** & Co. is working on both deals.

Not everyone is going to benefit from the TALF program. Tight restrictions will bar thousands of small developers and commercial-property owners with heavy debt loads from participating.

U.K. tells EU to slow down on rule changes

By Adam Bradbery

LONDON—The European Union's push into a regulatory overhaul is going too quickly and the deadline of Dec. 2 should be pushed back, a U.K. Treasury Committee said.

In a report, the committee said the government should veto the plan if crucial changes aren't made.

"While the intention of the European proposals is widely welcomed, there is a great deal of unease about the details, both within our committee and from the evidence we received from outside," said John McFall, the committee's chairman. "There is still more unease about the timetable for agreement."

The European Commission issued legislative proposals for a revamp of the EU's regulatory structure in September. The shake up would create a European Systemic Risk Board to monitor threats to financial stability and three European supervisory authorities to better coordinate national regulations.

The Swedish government, which holds the EU presidency, is pushing for agreement at a meeting of European finance ministers on Dec. 2 in Brussels. But the Treasury Committee report says there are so many important changes needed that the deadline should be extended.

"We consider that is far too fast: the proposals will set in place a framework which should last for many decades and there should be proper time for consideration, otherwise this could end up as a recipe for a muddle," Mr. McFall said.

The U.K. is concerned that it could be forced to commit taxpayer funds to bail out a bank in a future crisis.

The committee called on the government to veto the commission's proposals if they aren't changed to better protect the fiscal powers of countries in the region, alter the commission's sole power to declare an economic emergency and remove other legal uncertainties. It also said there should be a veto if attempts are made to separate the proposals for the ESRB and the supervisory authorities.

The U.K. Treasury's financial-services secretary, Paul Myners, said in an appearance before the committee last week that the government would be prepared to veto the commission's proposals if necessary to protect the country's fiscal position.

The government is concerned that it could be forced by the ESRB to commit taxpayer funds to bail out a bank in a future financial crisis.

The committee's report said the current provisions protecting EU countries' fiscal powers "need to be far stronger," even though European finance ministers agreed in June that the new supervisory structure shouldn't impinge on national governments.

The report said another troubling feature of the proposals is the power they give the commission to declare a national emergency when the orderly functions of markets are threatened, which would allow it to demand action from regulators or regulated firms.

‘Blind pools’ stalk failed lenders

Former bankers join chase for troubled institutions; ‘a once-in-a-decade opportunity’

By Robin Sidel

Former bank executives are returning to the battered industry to bid on failed financial institutions, putting them in competition with healthy banks and private-equity firms for the rising number of doomed banks.

Wall Street firms such as **Goldman Sachs Group** Inc. and **Deutsche Bank** AG are racing to form investment pools that plan to fund acquisitions by the bankers, who hope to leap into the auction process for failing banks led by the Federal Insurance Deposit Corp.

One trio of banking veterans who are considering such plans is former J.P. Morgan Chase & Co. Chief Executive William Harrison, former Wachovia Corp. CEO Robert Steele and Herb Boydstun, former CEO of Hibernia Corp., a regional bank in New Orleans that was sold to Capital One Financial Corp., according to people familiar with the situation. Messers. Harrison, Steele and Boydstun couldn’t be reached for comment.

Last month, former executives at Citizens Financial Group Inc., the Providence, R.I., unit of **Royal Bank of Scotland Group** PLC, raised $1.15 billion in a private placement, forming a company called **NBH Holdings** Corp.

“As soon as we find the right opportunity, we will put the money to work,” says NBH President and Chief Executive James Connolly, 49 years old, who stepped down as Citizens president last summer to start hunting for banks to buy.

NBH is structured as a so-called blind pool, meaning its 70 investors have no say over what the firm buys. Mr. Connolly’s management team must invest the pool’s money within two years or return it to investors, according to people familiar with the fund’s rules.

Also seeking to raise money for bad-bank purchases are Charles Rinehart, former chairman and CEO of H.F. Ahmanson & Co., and Kevin Twomey, the California thrift-holding company’s former chief financial officer. Ahmanson was acquired in 1998 by Washington Mutual Inc. and now is part of J.P. Morgan.

Mr. Twomey declined to comment; Mr. Rinehart couldn’t be reached.

Daniel Healy, former finance chief of North Fork Bancorp., the Melville, N.Y., regional bank bought by Capital One in 2006, also is hunting for investors, according to people familiar with the situation.

“It is a once-in-a-decade opportunity to build a platform with critical mass in the banking industry,” says Lee Meyerson, a banking lawyer and senior corporate partner at Simpson, Thacher & Bartlett LLP in New York. “Once the economy recovers and the banking market recovers, that opportunity will be gone.”

Growing interest in the blind pools reflects a shortage of bidders for the hundreds of U.S. banks expected to fail because of the recession, bad loans and other calamities of the two-year financial crisis. Relatively few banks are strong enough or interested in buying financial institutions seized by the government.

And while private-equity firms are circling badly damaged banks, the FDIC issued guidelines in August requiring them to hold higher levels of capital than banks with corporate owners. Private-equity firms also are prohibited from flipping failed banks in a quick sale.

Those curbs create an opening for the new investment pools, which are winning support from regulators. “We are very interested in increasing the competition for failing banks,” says James Wigand, deputy director of the FDIC’s division of resolutions and receiverships. “By creating structures and organizations that satisfy regulatory requirements for participation, we welcome the additional competition into the bid process.”

NBH doesn’t have a banking charter yet, meaning it can’t buy failed banks unless regulators approve the investment pool’s application to become a bank-holding company. Investors such as Boston money-management firm **Wellington Management** Co. own less than 9.9% of the fund apiece and don’t hold any seats on NBH’s board.

FBR Capital Markets Corp., the Arlington, Va., firm that helps round up investors for NBH, advised longtime Georgia banker Joe Evans in July on a $300 million bank-takeover fund.

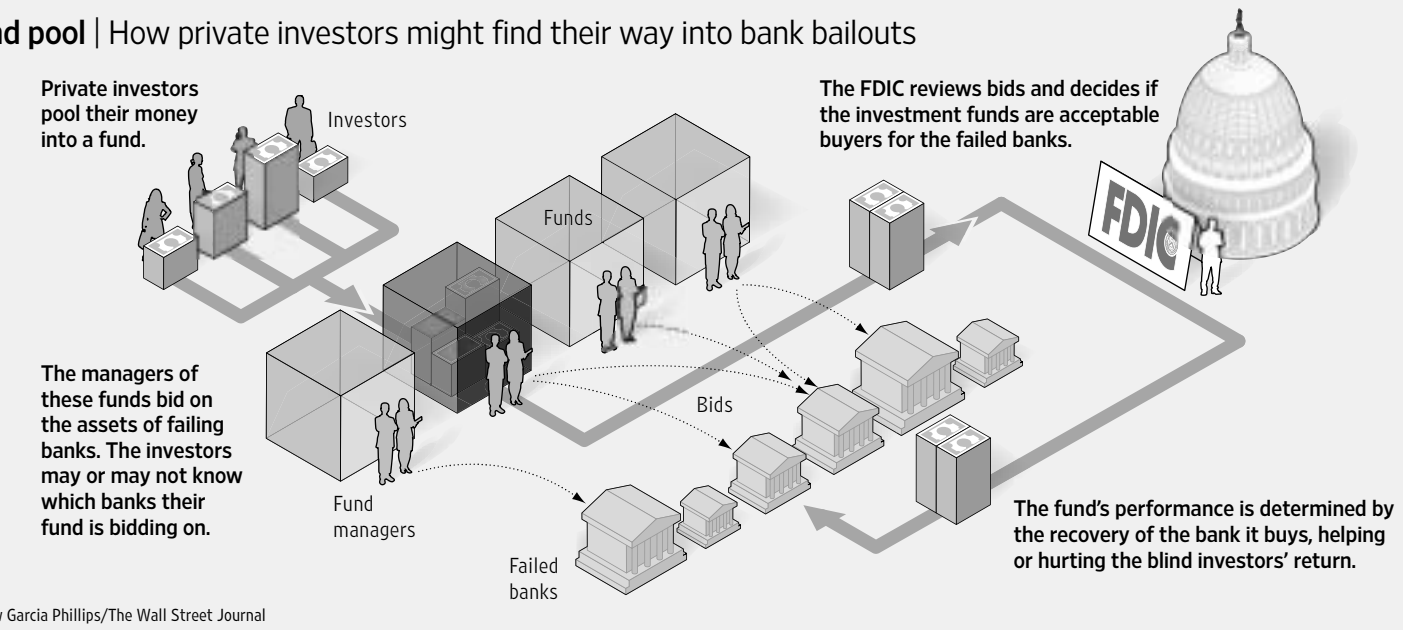
That deal had a slightly different twist: Mr. Evans, who led Flag Financial Corp. when the Atlanta bank was sold to Royal Bank of Canada in 2006, injected the money into a healthy, small bank, became its CEO and then bought six units of Security Bank Corp., Macon, Ga., that failed on the same day. NBH is also considering that approach, said a person familiar with the matter.

“The fact that you have former bankers analyzing and bidding on these banks suggests that regulators are likely to be comfortable in terms of their appreciation for appropriate risk, an appropriate strategic plan and other safety-and-soundness issues,” says Robert Hartheimer, a banking consultant in Washington who ran the FDIC’s division for selling failed banks in the 1990s.

But blind pools already are unpopular with one group: private-equity firms. Some claim that more competition for dead banks will drive up prices.

“If these blind pools end up bidding more than others, it only means one thing: They will get a lower rate of return,” says financier Wilbur Ross, who teamed up with other private-equity firms to buy BankUnited FSB, a unit of BankUnited Financial Corp. that failed in May.

Blind pool | How private investors might find their way into bank bailouts


Private investors pool their money into a fund.
Investors
Funds
The managers of these funds bid on the assets of failing banks. The investors may or may not know which banks their fund is bidding on.
Fund managers
Bids
Failed banks
The FDIC reviews bids and decides if the investment funds are acceptable buyers for the failed banks.
FDIC
The fund’s performance is determined by the recovery of the bank it buys, helping or hurting the blind investors’ return.

Andrew Garcia Phillips/The Wall Street Journal

Hedge funds struggle to collect a key fee

By Cassell Bryan-Low

The hedge-fund industry may be on track to deliver its best annual returns in years, but many managers still aren’t in a position to collect performance fees.

Most hedge-fund fortunes were earned through the collection of performance fees, typically 20% of any profit. The fee structure gives managers an incentive to outperform and provides some protection for their investors. But in the third quarter, roughly two-thirds of funds globally still hadn’t recovered from the steep declines of 2008, estimates Chicago data tracker Hedge Fund Research Inc., or HFR. About a quarter of funds were more than 20% below their previous high point, or high-water mark, and thus couldn’t charge performance fees for this year’s gains.

Clawing back to the point at which a fund can charge such fees again requires having a percentage increase that is larger than past percentage losses. A client with $1 million at a fund that falls 50% would be left with a balance of $500,000, so the fund would have to rise 100% before the manager could start charging incentive fees again. Hedge funds as a group were up about 17% on average this year through the end of October, following losses of roughly 19%, according to HFR.

The industry “is recovering, but not yet recovered,” said Kenneth Heinz, HFR’s president.

Most hedge-fund fortunes are earned through performance fees, typically 20% of any profit.

London hedge fund **GLG Partners** LLP, whose shares are traded in U.S., says its funds posted returns of about 25% on average in the first nine months of this year but about $7.6 billion of assets remain below their high-water marks. That is more than half of the $14.1 billion of assets at the firm that are eligible for performance fees. Of that, about $3.9 billion is more than 30% below. That has helped trigger a 72% drop in performance fees for the three months ended September, to $1.9 million from $6.8 million a year earlier, according to GLG.

Co-Chief Executive Noam Gottesman, on a Nov. 5 call with analysts, said “the outlook for performance fees at GLG has brightened significantly with our strong investment performance over the course of 2009.” In total, GLG manages $21.6 billion of assets, including in mutual funds as well as hedge funds.

Regardless of performance, hedge funds also earn fees based on the amount of money they manage, typically 2% of funds under management. But those fees have been hurt by the marked decline in assets. The industry’s assets stand at about $1.5 trillion, down from the peak of more than $1.9 trillion in early 2008.

The flagship fund at **CQS** LLP, another London fund, remains below its high-water mark despite being up about 26% this year through the end of October, according to a person familiar with the returns. The convertible-bond-focused fund posted losses of about 32% last year.

CQS’s other funds, which each are up about 20% or more this year, have either regained their high-water marks or were never below, this person said. The best performer, the **CQS Directional Opportunities Fund**, was up an estimated 48% in the first 10 months of this year. CQS manages about $6.4 billion of assets in total.

For many managers, 2009 will be the second year in a row that they won’t be pocketing performance fees. A lack of incentives can cause traders and other staff to jump ship, though there aren’t as many places to jump to these days, as few hedge funds or bank proprietary trading desks are hiring. It also can create incentives for managers to shutter their funds and start new ones where they have the opportunity to earn performance fees right away–if they can attract investors.

The Children’s Investment Fund Management LLP known as **TCI**, has had several senior executives leave, including co-founder Patrick Degorce, who departed at the end of last year and is setting up his own fund. The London fund, which ended last year down more than 40% after years of stellar returns, is up slightly this year, according to people familiar with the results. Some people were asked to leave TCI on performance grounds and several new hires have been made, one of these people said.

Las Vegas Sands To Pay Macau

By Jonathan Cheng

HONG KONG—**Las Vegas Sands** Corp. agreed to make an initial payment to the Macau government of 700 million patacas, or about US$90 million, for the land on which it is developing its new megaresort.

The company, based in Las Vegas, said in a filing Monday with the U.S. Securities and Exchange Commission that the land premium for its site, known as parcels five and six, would total US$233.5 million.

The site, on which Las Vegas Sands began construction but halted last year in the wake of financing difficulties, will house two casinos and the Shangri-La, Traders and Sheraton-branded hotels.

The parcels are adjacent to the company’s Venetian Macao resort hotel in Macau’s Cotai area. At 13.3 million square feet, the site will be larger than the Venetian Macao, with which it will be joined by a glass-enclosed footbridge.

Under the terms of the deal, the company will have 48 months to finish development of the site, which Las Vegas Sands said will give it until the first quarter of 2012.

Treasurys gain, withstanding strong sales data

By Emily Barrett

Prices of U.S. Treasurys rose despite better-than-expected U.S. retal sales, reinforcing the view that the market is well-supported heading into the final weeks of the year.

Government bonds normally weaken on strong data, as a positive economic outlook tends to give investors confidence to switch to higher-yielding assets in higher-risk markets. But few investors seem willing to make that move at this late stage of the year, since one false move could erase the first major profits many can claim after two years of market turmoil.

U.S. CREDIT MARKETS

"No one's going to put on a major short position before the end of the year," said George Goncalves, rates strategist at Cantor Fitzgerald in New York.

In late-morning New York trade, the 10-year Treasury rose 11/32 to 99 28/32 to yield 3.392%.

The morning's data weren't entirely positive, though.

The latest manufacturing survey for the New York district also was underwhelming. The Federal Reserve Bank of New York reported a positive reading on its general business conditions index for the fourth month in a row in November. But the pace of improvement has slowed considerably, with the index level down 11 points at 23.51.

Philippines' Psalm plans $1.2 billion bond offering

By Ditas Lopez

SINGAPORE—The Philippines' **Power Sector Assets & Liabilities Management** Corp., or Psalm, next week will price as much as $1.2 billion in global bonds designed partly to lengthen the maturity of its debt.

Psalm, which oversees the debts and liabilities of state utility **National Power** Corp., or Napocor, will issue new bonds maturing in 2024 to raise fresh capital of up to $600 million for general corporate funding, including debt servicing, people familiar with the deal said Monday.

BOND MARKETS

It also will issue new 2024 bonds and reopen its existing 2019 bonds to replace as much as $600 million of existing bonds due in the next two years.

"A successful completion of such an exchange offer will extend the debt maturity profile of Psalm and remove imminent refinancing risks in 2010 and 2011," said Jennifer Wong, an analyst at Moody's Investors Service.

"Furthermore, the new money component will improve the company's liquidity."

The bonds included in the proposed bond swap are US$500 million of 9.875% senior unsecured guaranteed notes due 2010, US$700 million of zero-coupon guaranteed notes due 2010, and US$400 million of floating-rate senior unsecured guaranteed notes due 2011. These were all previously issued by Napocor, but were assumed by Psalm on Oct. 1, 2008.

Psalm will give priority to bonds with shorter maturity, in the event tenders for the exchange exceed $600 million, the people familiar with the deal said.

Bond investors who decide not to accept the exchange offer will be paid their scheduled principal and interest at the maturity dates of the respective bonds, these people said.

The bond exchange offer isn't a distressed offering, given that investors wouldn't receive less value than the promise of the original securities, Standard & Poor's Ratings Services said. The notes carry the guarantee of the Philippine government.

The offering comes against a backdrop of improved credit-market conditions relative to early this year, and in a week when fewer deals are lined up for pricing.

"We're definitely looking to participate in the bond sale. We expect the yield to be competitive, a premium to what [Philippine government bonds] are doing now in the market," said Rafael Algarra, treasurer at Security Bank in Manila. "There is a lot of liquidity, both onshore and offshore, and this [Psalm 2024 bond] should attract good demand."

Moody's rates Psalm notes Ba3; S&P ranks them double-B-minus.

The Development Bank of the Philippines, Morgan Stanley and UBS are in charge of the offerings.

FUND SCORECARD

Sector Equity Real Estate Direct

Funds that have the legal status of an investment fund and directly invest in and/or manage real estate. At least 50% of assets are directly invested in property. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending November 16, 2009

Leading 10 Performers

FUND RATING *	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US ** YTD	1-YR	2-YR	5-YR
NS	**Vastned Retail Inc**	Vastned Management B.V.	EUR	NethrInds	**52.04**	72.47	-9.49	7.51
NS	**Nieuwe Steen Investments Inc**	Nieuwe Steen Investments N.V.	EUR	NethrInds	**45.45**	48.70	-5.29	7.50
NS	**Eurocommercial Properties Inc**	Eurocommercial Properties N.V.	EUR	NethrInds	**27.41**	45.14	-6.52	10.63
NS	**Thames River Property Gr Inc EUR Acc**	Thames River Capital LLP	EUR	Guernsey	**27.76**	38.92	-6.33	NS
NS	**SF Property Securites CH A**	Credit Suisse Asset Management Funds AG	CHF	SwitzrInd	**19.80**	36.67	7.04	NS
NS	**Nordea Link Ejendomme**	Nordea Invest, Placering	DKK	Denmark	**11.80**	32.28	11.41	NS
NS	**CS PortfolioReal A**	Credit Suisse Asset Management KAG mbH	EUR	Germany	**18.44**	31.29	0.17	NS
NS	**Millennium Imobiliário**	Millennium bcp Gestão de Fundos	EUR	Portugal	**26.06**	29.51	-11.92	NS
NS	**CS 1a Immo PK A**	Credit Suisse Asset Management Funds AG	CHF	SwitzrInd	**8.68**	24.78	12.50	NS
NS	**SEB VVF Total Return Chance P**	SEB Investment GmbH	EUR	Germany	**12.34**	24.71	NS	NS

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

Source: Morningstar, Ltd
1 Oliver's Yard, 55-71 City Road
London EC1Y 1HQ United Kingdom
www.morningstar.co.uk; **Email**: mediaservice@morningstar.com
Phone: +44 (0)203 107 0038; **Fax**: +44 (0)203 107 0001

Japanese bonds

Yields on Japanese government debt eased as investors digested better-than-expected growth data.

The benchmark 10-year yield eased 0.005 percentage point to 1.33%.

"Players were simply unwinding short positions as [the 10-year yield] near 1.5% looked too extreme," said Chotaro Morita, chief strategist at Barclays Capital.

Japan's economy expanded 1.2% in July-September from the prior quarter, much better than a 0.6% growth expected by economists polled by Dow Jones Newswires.

Thursday, the government will auction 1.1 trillion yen ($12.3 billion) of 20-year debt.

—Megumi Fujikawa in Tokyo contributed to this article.

Advertisement

INTERNATIONAL INVESTMENT FUNDS [Search by company, category or country at asia.WSJ.com/funds]

MORNINGSTAR®

Data as shown is for information purposes only. No offer is being made by Morningstar, Ltd. or this publication. Funds shown aren't registered with the U.S. Securities and Exchange Commission and aren't available for sale to United States citizens and/or residents except as noted. Prices are in local currencies. All performance figures are calculated using the most recent prices available.

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	11/13	EUR	54.61	21.1	13.7	-28.8
ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	11/13	USD	10.26	25.0	24.1	-16.1
Am Eq Blend B	US	EQ	LUX	11/13	USD	9.65	23.9	22.9	-16.9
Am Growth A	US	EQ	LUX	11/13	USD	30.55	33.4	41.5	-6.7
Am Growth AX	US	EQ	LUX	11/13	USD	32.96	34.1	42.3	-6.1
Am Growth B	US	EQ	LUX	11/13	USD	25.72	32.2	40.1	-7.6
Am Growth C	US	EQ	LUX	11/13	USD	27.66	32.9	40.8	-7.0
Am Growth I	US	EQ	LUX	11/13	USD	33.83	34.4	42.6	-5.9
Am Income A	US	BD	LUX	11/13	USD	8.42	23.7	30.8	5.2
Am Income A2	US	BD	LUX	11/13	USD	18.88	24.0	30.8	5.3
Am Income A2	OT	OT	NA	11/13	HKD	146.32	NS	NS	NS
Am Income AT	OT	OT	NA	11/13	HKD	65.26	NS	NS	NS
Am Income AT	US	BD	LUX	11/13	USD	8.42	24.0	30.8	5.3
Am Income B	US	BD	LUX	11/13	USD	8.42	22.8	29.7	4.4
Am Income B2	US	BD	LUX	11/13	USD	16.29	23.3	29.9	4.6
Am Income B2	OT	OT	NA	11/13	HKD	126.25	NS	NS	NS
Am Income BT	OT	OT	NA	11/13	HKD	65.64	NS	NS	NS
Am Income BT	US	BD	LUX	11/13	USD	8.47	23.4	29.9	4.6
Am Income C	US	BD	LUX	11/13	USD	8.42	23.1	30.1	4.7
Am Income C2	US	BD	LUX	11/13	USD	24.22	23.6	30.3	4.8
Am Income I	US	BD	LUX	11/13	USD	8.42	24.3	31.6	5.9
Am Value A	US	EQ	LUX	11/13	USD	8.43	16.9	24.5	-15.1
Am Value B	US	EQ	LUX	11/13	USD	7.77	15.8	23.3	-16.0
Am Value C	US	EQ	LUX	11/13	USD	8.43	16.3	24.0	-15.5
Am Value I	US	EQ	LUX	11/13	USD	9.06	17.7	25.5	-14.5
Asian Technology A	OT	OT	LUX	11/13	USD	14.59	66.7	68.7	-6.4
Asian Technology B	OT	EQ	LUX	11/13	USD	12.78	65.3	67.1	-7.4
Asian Technology I	OT	EQ	LUX	11/13	USD	16.25	67.9	70.2	-5.7
Emg Mkts Debt A	GL	BD	LUX	11/13	USD	15.57	42.8	55.6	7.5
Emg Mkts Debt A2	GL	BD	LUX	11/13	USD	19.95	43.3	55.6	7.6
Emg Mkts Debt AT	GL	BD	LUX	11/13	USD	15.65	43.4	55.7	7.6
Emg Mkts Debt B	GL	BD	LUX	11/13	USD	15.57	41.7	54.2	6.4
Emg Mkts Debt B2	GL	BD	LUX	11/13	USD	19.24	42.1	54.0	6.5
Emg Mkts Debt BT	GL	BD	LUX	11/13	USD	15.63	42.1	54.0	6.5
Emg Mkts Debt C	GL	BD	LUX	11/13	USD	15.57	42.3	55.0	7.0
Emg Mkts Debt C2	GL	BD	LUX	11/13	USD	19.62	42.8	54.9	7.1
Emg Mkts Debt I	GL	BD	LUX	11/13	USD	15.57	43.4	56.4	8.1
Emg Mkts Growth A	GL	EQ	LUX	11/13	USD	33.40	66.7	65.2	-16.0
Emg Mkts Growth B	GL	EQ	LUX	11/13	USD	28.34	65.2	63.5	-16.8
Emg Mkts Growth C	GL	EQ	LUX	11/13	USD	28.97	66.0	64.4	-16.3
Emg Mkts Growth I	GL	EQ	LUX	11/13	USD	36.99	67.8	66.5	-15.3
Eur Growth A	OT	OT	LUX	11/13	USD	10.29	23.9	16.2	-19.8
Eur Growth A	OT	OT	LUX	11/13	EUR	6.90	23.9	16.2	-19.8
Eur Growth B	OT	OT	LUX	11/13	EUR	6.21	22.7	14.8	-20.6
Eur Growth B	OT	OT	LUX	11/13	USD	9.26	22.7	14.8	-20.6
Eur Growth C	EU	EQ	LUX	11/13	EUR	5.23	23.3	15.5	-20.1
Eur Growth I	OT	OT	LUX	11/13	USD	11.20	24.5	17.0	-19.2
Eur Growth I	OT	OT	LUX	11/13	EUR	7.51	24.5	17.0	-19.2
Eur Income A	OT	OT	LUX	11/13	EUR	6.61	38.3	31.0	2.9
Eur Income A	OT	OT	LUX	11/13	USD	9.86	38.3	31.0	2.9
Eur Income A2	OT	OT	LUX	11/13	EUR	12.79	38.9	31.0	3.0
Eur Income A2	OT	OT	LUX	11/13	USD	19.08	38.9	31.0	3.0
Eur Income AT	EU	BD	LUX	11/13	EUR	6.62	38.9	31.2	3.0
Eur Income B	OT	OT	LUX	11/13	EUR	6.61	37.6	30.1	2.2
Eur Income B	OT	OT	LUX	11/13	USD	9.86	37.6	30.1	2.2
Eur Income B2	OT	OT	LUX	11/13	EUR	11.90	37.9	30.1	2.2
Eur Income B2	OT	OT	LUX	11/13	USD	17.75	37.9	30.1	2.2
Eur Income BT	EU	BD	LUX	11/13	EUR	6.62	38.1	30.1	2.2
Eur Income C	OT	OT	LUX	11/13	EUR	6.61	37.9	30.4	2.5
Eur Income C	OT	OT	LUX	11/13	USD	9.86	37.9	30.4	2.5
Eur Income C2	OT	OT	LUX	11/13	EUR	12.75	38.3	30.4	2.5
Eur Income C2	OT	OT	LUX	11/13	USD	19.02	38.3	30.4	2.5
Eur Income I	OT	OT	LUX	11/13	EUR	6.61	38.9	31.7	3.5
Eur Income I	OT	OT	LUX	11/13	USD	9.86	38.9	31.7	3.5
Eur Strat Value A	OT	OT	LUX	11/13	EUR	8.38	20.4	14.0	-23.6
Eur Strat Value A	OT	OT	LUX	11/13	USD	12.50	20.4	14.0	-23.6
Eur Strat Value I	OT	OT	LUX	11/13	EUR	8.57	21.2	14.9	-22.9
Eur Strat Value I	OT	OT	LUX	11/13	USD	12.78	21.2	14.9	-22.9
Eur Value A	OT	OT	LUX	11/13	USD	13.44	23.8	17.8	-20.8
Eur Value A	OT	OT	LUX	11/13	EUR	9.01	23.8	17.8	-20.8
Eur Value B	OT	OT	LUX	11/13	EUR	8.30	22.6	16.6	-21.6
Eur Value B	OT	OT	LUX	11/13	USD	12.38	22.6	16.6	-21.6
Eur Value C	OT	OT	LUX	11/13	USD	12.99	23.0	17.1	-21.2
Eur Value C	OT	OT	LUX	11/13	EUR	8.71	23.0	17.1	-21.2
Eur Value I	OT	OT	LUX	11/13	USD	15.50	24.4	18.7	-20.2
Eur Value I	OT	OT	LUX	11/13	EUR	10.39	24.4	18.7	-20.2
Gl Balanced (Euro) A	OT	OT	LUX	11/11	USD	16.85	18.8	16.7	-12.4
Gl Balanced (Euro) B	OT	OT	LUX	11/13	USD	16.38	17.7	15.6	-13.3
Gl Balanced (Euro) C	OT	OT	LUX	11/13	USD	16.67	18.6	16.5	-12.7
Gl Balanced (Euro) I	OT	OT	LUX	11/13	USD	17.08	NS	NS	NS
Gl Balanced A	US	BA	LUX	11/13	USD	16.43	23.6	25.1	-11.3
Gl Balanced B	US	BA	LUX	11/13	USD	15.64	22.6	23.8	-12.2
Gl Balanced C	OT	OT	LUX	11/13	USD	16.19	23.3	24.7	-11.6
Gl Balanced C	OT	OT	LUX	11/13	EUR	10.85	23.3	24.7	-11.6
Gl Balanced I	US	BA	LUX	11/13	USD	17.02	24.3	26.0	-10.7
Gl Bond A	US	BD	LUX	11/13	USD	9.28	12.4	16.8	4.5
Gl Bond A2	US	BD	LUX	11/13	USD	16.00	12.6	16.9	4.5
Gl Bond A2	OT	OT	NA	11/13	HKD	124.00	12.6	16.9	4.5
Gl Bond AT	OT	OT	LUX	11/13	HKD	71.92	12.6	17.0	4.5
Gl Bond AT	US	BD	LUX	11/13	USD	9.28	12.6	17.0	4.5
Gl Bond B	US	BD	LUX	11/13	USD	9.28	11.5	15.7	3.4
Gl Bond B2	US	BD	LUX	11/13	USD	14.03	11.6	15.7	3.4
Gl Bond B2	OT	OT	NA	11/13	HKD	108.74	11.6	15.7	3.4
Gl Bond BT	OT	OT	LUX	11/13	HKD	72.23	11.7	15.8	3.5
Gl Bond BT	US	BD	LUX	11/13	USD	9.32	11.7	15.8	3.5
Gl Bond C	US	BD	LUX	11/13	USD	9.28	11.9	16.3	4.0
Gl Bond C2	US	BD	LUX	11/13	USD	13.89	12.1	16.3	4.0
Gl Bond I	US	BD	LUX	11/13	USD	9.28	12.9	17.5	5.1
Gl Conservative A	US	BA	LUX	11/13	USD	14.93	15.9	17.6	-4.4
Gl Conservative A2	US	BA	LUX	11/13	USD	16.90	15.9	17.7	-4.3
Gl Conservative B	US	BA	LUX	11/13	USD	14.91	14.9	16.5	-5.3
Gl Conservative B2	US	BA	LUX	11/13	USD	16.08	14.9	16.5	-5.3
Gl Conservative C	US	BA	LUX	11/13	USD	14.92	15.5	17.2	-4.8
Gl Conservative C2	US	BA	LUX	11/13	USD	16.54	15.5	17.1	-4.8
Gl Conservative I	US	BA	LUX	11/13	USD	15.00	16.7	18.6	-3.6
Gl Eq Blend A	GL	EQ	LUX	11/13	USD	11.61	29.9	29.1	-22.0
Gl Eq Blend B	GL	EQ	LUX	11/13	USD	10.91	28.8	27.8	-22.8
Gl Eq Blend C	GL	EQ	LUX	11/13	USD	11.41	29.4	28.5	-22.4
Gl Eq Blend I	GL	EQ	LUX	11/13	USD	12.23	30.8	30.1	-21.4
Gl Growth A	GL	EQ	LUX	11/13	USD	41.49	28.7	26.4	-22.7
Gl Growth B	GL	EQ	LUX	11/13	USD	34.68	27.5	25.2	-23.5
Gl Growth C	GL	EQ	LUX	11/13	USD	39.83	28.1	25.8	-23.1
Gl Growth I	GL	EQ	LUX	11/13	USD	46.02	29.6	27.4	-22.1
Gl High Yield A	US	BD	LUX	11/13	USD	4.25	55.5	54.0	2.6
Gl High Yield A2	US	BD	LUX	11/13	USD	9.01	56.4	54.3	2.6
Gl High Yield A2	OT	OT	NA	11/13	HKD	69.83	56.4	54.3	2.6
Gl High Yield AT	OT	OT	NA	11/13	HKD	32.71	56.5	53.9	2.6
Gl High Yield AT	US	BD	LUX	11/13	USD	4.22	56.5	53.9	2.6
Gl High Yield B	US	BD	LUX	11/13	USD	4.25	53.8	51.9	1.4
Gl High Yield B2	US	BD	LUX	11/13	USD	14.50	55.1	52.6	1.6
Gl High Yield B2	OT	OT	NA	11/13	HKD	112.38	55.1	52.6	1.6
Gl High Yield BT	OT	OT	NA	11/13	HKD	33.25	54.7	52.3	1.5
Gl High Yield BT	US	BD	LUX	11/13	USD	4.29	54.7	52.3	1.5
Gl High Yield C	US	BD	LUX	11/13	USD	4.25	54.8	53.1	2.1
Gl High Yield C2	US	BD	LUX	11/13	USD	13.36	55.9	53.6	2.1
Gl High Yield I	US	BD	LUX	11/13	USD	4.25	56.4	55.1	3.3
Gl Value A	GL	EQ	LUX	11/13	USD	11.14	31.2	31.8	-21.4
Gl Value B	GL	EQ	LUX	11/13	USD	10.25	30.1	30.6	-22.2
Gl Value C	GL	EQ	LUX	11/13	USD	10.83	30.6	31.3	-21.8
Gl Value I	GL	EQ	LUX	11/13	USD	11.83	32.0	32.8	-20.8
Greater China A	AS	EQ	LUX	11/13	USD	40.04	56.1	61.6	-17.9
Greater China B	AS	EQ	LUX	11/13	USD	35.48	54.7	60.0	-18.8
Greater China C	AS	EQ	LUX	11/13	USD	39.56	55.5	60.9	-18.3
India Growth A	OT	OT	LUX	11/13	USD	122.45	NS	NS	NS
India Growth AX	OT	OT	LUX	11/13	USD	107.00	85.2	83.0	-8.3
India Growth B	OT	OT	LUX	11/13	USD	128.44	NS	NS	NS
India Growth BX	OT	OT	LUX	11/13	USD	91.58	83.6	81.2	-9.2
India Growth I	EA	EQ	LUX	11/13	USD	110.81	85.9	83.8	-8.0
Int'l Health Care A	OT	EQ	LUX	11/13	USD	131.85	12.3	10.5	-10.5
Int'l Health Care B	OT	EQ	LUX	11/13	USD	111.35	11.3	9.4	-11.4
Int'l Health Care C	OT	EQ	LUX	11/13	USD	126.43	11.8	10.0	-10.9
Int'l Health Care I	OT	EQ	LUX	11/13	USD	143.91	13.1	11.4	-9.8
Int'l Technology A	OT	EQ	LUX	11/13	USD	104.85	43.3	43.2	-13.6
Int'l Technology B	OT	EQ	LUX	11/13	USD	90.97	42.1	41.7	-14.5
Int'l Technology C	OT	EQ	LUX	11/13	USD	101.38	42.8	42.5	-14.0
Int'l Technology I	OT	EQ	LUX	11/13	USD	117.45	44.3	44.3	-12.9
Japan Eq Blend A	JP	EQ	LUX	11/13	JPY	5618.00	4.7	1.7	-26.0
Japan Eq Blend B	JP	EQ	LUX	11/13	JPY	5428.00	3.8	0.6	-26.7
Japan Eq Blend C	JP	EQ	LUX	11/13	JPY	5531.00	4.3	1.2	-26.3
Japan Growth A	JP	EQ	LUX	11/13	JPY	5520.00	-0.8	-4.8	-26.6
Japan Growth B	JP	EQ	LUX	11/13	JPY	5333.00	-1.6	-5.7	-27.3
Japan Growth C	JP	EQ	LUX	11/13	JPY	5435.00	-1.2	-5.2	-26.9
Japan Strat Value A	JP	EQ	LUX	11/13	JPY	5690.00	10.3	8.4	-25.7
Japan Strat Value B	JP	EQ	LUX	11/13	JPY	5503.00	9.4	7.4	-26.4
Japan Strat Value C	JP	EQ	LUX	11/13	JPY	5599.00	9.9	7.9	-26.0
Real Estate Sec. A	OT	EQ	LUX	11/13	USD	14.03	31.5	35.4	-19.2
Real Estate Sec. B	OT	EQ	LUX	11/13	USD	12.84	30.4	34.0	-20.0
Real Estate Sec. I	OT	EQ	LUX	11/13	USD	15.06	32.3	36.4	-18.5
Short Mat Dollar A	US	BD	LUX	11/13	USD	7.23	10.5	6.4	-7.0
Short Mat Dollar A2	US	BD	LUX	11/13	USD	9.70	10.7	6.5	-7.1
Short Mat Dollar AT	US	BD	LUX	11/13	USD	7.23	10.8	6.6	-7.1
Short Mat Dollar B	US	BD	LUX	11/13	USD	7.23	10.1	5.9	-7.5
Short Mat Dollar B2	US	BD	LUX	11/13	USD	9.66	10.3	6.0	-7.5
Short Mat Dollar BT	OT	OT	LUX	11/13	USD	7.24	9.5	5.4	-7.8
Short Mat Dollar C	US	BD	LUX	11/13	USD	7.23	10.1	5.9	-7.5
Short Mat Dollar C2	US	BD	LUX	11/13	USD	13.65	10.3	6.0	-7.5
Short Mat Dollar I	US	BD	LUX	11/13	USD	7.23	11.0	7.0	-6.5

Advertisement [ALTERNATIVE INVESTMENT FUNDS www.WSJ.com] Advertisement

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund I, Ltd. (Class A)	OT	OT	VGB	10/30	USD	1642.69	64.0	59.5	NS
CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	11/12	USD	117.33	17.3	17.1	7.6
PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	09/30	USD	94.24	12.2	-6.9	-12.2
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	08/31	USD	105.38	2.5	-9.3	-26.1
Platinm-Emancipation	OT	OT	USA	09/30	USD	96.83	29.4	0.4	-7.7
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	09/30	USD	59.71	27.4	-18.1	-32.3
Platinm-Nordic	OT	OT	CYM	09/30	SEK	591.49	8.4	-6.2	-19.0
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	09/30	USD	55.93	NS	8.3	-39.0

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
*Closed for New Investments									
Superfund Cayman*	OT	OT	CYM	11/10	USD	44.95	-46.0	-39.3	-7.7
Superfund GCT USD*	GL	EQ	LUX	11/10	USD	2363.00	-35.3	-31.8	-4.6
Superfund Green Gold A (SPC)	OT	OT	CYM	11/10	USD	1030.45	-11.4	6.0	7.2
Superfund Green Gold B (SPC)	OT	OT	CYM	11/10	USD	1026.40	-23.8	-6.7	2.7
Superfund Q-AG*	OT	OT	AUT	11/10	EUR	6792.00	-22.5	-19.1	0.0
WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	10/30	EUR	939.64	NS	NS	NS
Winton Evolution GBP Cls G	OT	OT	CYM	10/30	GBP	943.02	NS	NS	NS
Winton Evolution USD Cls F	OT	OT	CYM	10/30	USD	1189.62	-6.2	-1.5	3.1
Winton Futures EUR Cls C	OT	OT	VGB	10/30	EUR	192.39	-6.5	0.0	7.8
Winton Futures GBP Cls D	OT	OT	VGB	10/30	GBP	207.72	-6.4	0.6	8.9
Winton Futures JPY Cls E	OT	OT	VGB	10/30	JPY	13589.60	-7.9	-1.6	4.9
Winton Futures USD Cls B	OT	OT	VGB	10/30	USD	682.02	-7.0	-0.3	7.5

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT									
Concentra AE	EU	EQ	DEU	11/13	EUR	49.61	27.6	39.1	-13.0

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com or Peter Jennings, tel: +44-20-7842-9674; email: peter.jennings@dowjones.com

THE INTERNATIONAL INVESTOR

U.S. stock indexes surge to 2009 highs

Energy, materials shares drive gains

A Wall Street Journal Roundup

U.S. stocks leapt Monday, with the three major indexes hitting intraday highs for 2009, as a report of robust economic growth in Japan sparked a rally in energy and materials firms.

Midday in New York, the Dow Jones Industrial Average was up 138.76 points, or 1.4%, to 10409.23, with nearly all of its 30 components in the green. The Standard & Poor's 500 stock index was up 17.08, or 1.6%, at 1110.56 and the Nasdaq Composite Index was trading up 31.80, or 1.5%, at 2199.68.

ABREAST OF THE MARKET

Alcoa, up 3%, **Caterpillar**, up 2.4% and **Exxon Mobil** 2.7% were among its leading advancers.

Merck & Co. rose 3.3% even after a new study showed its Zetia cholesterol drug was inferior to **Abbott Laboratories**' Niaspan at clearing clogged arteries. Abbott rose 1.1%.

Helping stocks, Japan's government said the nation's gross domestic product rose a price-adjusted 1.2% in July-September from the prior quarter, or a 4.8% increase on an annualized basis.

Following the report, commodities prices climbed higher around the globe. Crude oil for December delivery was up $2.53 at 11 a.m. in New York to $78.88 a barrel on the New York Mercantile Exchange.

Marshall Adkins, director of energy research at Raymond James & Associates, said Monday's bump in resource-related investments was fueled in part by hopes that commodity demand in Asia and other regions will offset continued weakness in the U.S. next year.

The S&P's energy sector was its strongest category, up 2.6%. Hess climbed 3.1% and **Chevron** rose 1.8%. Among natural-gas bellwethers, **Nicor** was up 1.8% and **Spectra Energy** added 1.5%.

European Markets

Stocks traded at 13-month highs, with miners advancing as dollar weakness boosted metals futures.

Rio Tinto rose 5.5% and **Randgold Resources** shares rose 4.8%.

The pan-European Dow Jones Stoxx 600 index, up for the fourth straight session, rose 1.4% to 251.34, building on a 2.8% advance made in the last week.

Among major national indexes, the U.K.'s FTSE 100 rose 1.6% to 5382.67, German's DAX climbed 2.1% to 5804.82 and France's CAC-40 rose 1.5% to 3863.16. Russia's RTS index, which is dominated by commodity-sector names, jumped 4.1% to 1481.95.

Euro advances against dollar as stocks rise

By Bradley Davis

NEW YORK—The euro gained against the dollar Monday, as fast-rising U.S. stocks hit 2009 intraday highs and rallying commodities provided the fuel that earlier lukewarm economic data couldn't.

CURRENCY MARKETS

Gold traded near an all-time peak reached earlier in the session. Other commodities also gained, propelling the commodity-backed Australian dollar to its highest level in nearly 16 months. The Australian dollar subsequently gave back some of those gains, but still traded near record highs. High-yielding currencies traded in choppy waters.

Investors were also looking toward the 12:15 p.m. EST speech of Federal Reserve Chairman Ben Bernanke for any comment on the state of the economy, or any clues on U.S. interest rates.

In late-morning trading, the euro was at $1.4970 from $1.4921 late Friday. The dollar was at 89.33 yen from 89.67 yen, while the euro was at 133.73 yen from 133.80 yen. The U.K. pound was at $1.6757 from $1.6695. The dollar was at 1.0077 Swiss francs from 1.0118 francs.

Early morning, the euro fluctuated after a slight improvement in U.S. retail sales failed to spark an extension of the overnight gains it saw on positive Japanese economic data.

Japan rises only slightly despite strong GDP news

By Rosalind Mathieson And Leslie Shaffer

Most Asian markets rose Monday as another record high for gold boosted shares of miners, but concern about banks' plans to raise capital limited the rally in Japan.

Japan's Nikkei Stock Average of 225 companies rose just 0.2% at 9791.18 despite official figures showing the country's third quarter gross domestic product rose at a faster-than-expected pace of 1.2% from the previous three months.

ASIAN-PACIFIC STOCKS

"GDP is particularly important for medium- and long-term investors, but the stock market now is mostly moved by short-term players," said Tokai Tokyo Securities market analyst Seiichi Suzuki, citing concerns over short-term negative factors such as the likelihood that stock issuance by banks will dilute the value of shareholders' existing stocks.

Australia's S&P/ASX 200 index rose 1%, South Korea's Kospi increased 1.3% and Taiwan's Taiex advanced 1.7%. Singapore's Straits Times Index added 2%, and India's Sensitive Index rose 1.1%.

Hong Kong's Hang Seng Index rose 1.7%, while China's Shanghai Composite Index jumped 2.7%, aided by economic data showing foreign direct investment in China climbed for a third straight month.

Mitsubishi UFJ Financial Group tumbled 5.5% after a person familiar with the matter said it was considering raising one trillion yen ($11.1 billion) by issuing common shares. If the offering goes ahead, the capital boost would be one of the biggest share sales by a Japanese financial institution.

The news weighed on other financial stocks, with **Sumitomo Mitsui Financial Group** sliding 5.9% and **Mizuho Financial Group** shedding 3.9%.

Spot gold rose as the U.S. dollar weakened, climbing to a record of $1,133.70 a troy ounce before slipping back slightly.

That boosted gold miners. **Sino Gold Mining** and **Lihir Gold** advanced 4.3% and 4.2%, respectively, in Sydney. In Hong Kong, **Zhaojin Mining** rose 4.1%, while **Shandong Gold-Mining** rose 2.7% in Shanghai.

"What's good for gold is always good for Australia," said Citigroup's Graham Harman.

Taiwanese shares were helped by a 6.9% jump in shares of **Chi Mei Optoelectronics** following news over the weekend that **Innolux Display**—the world's largest flat-panel monitor maker—would buy the company in an all-share deal valued at $5.3 billion. Innolux added 3%, while **Chunghwa Picture Tubes** jumped 7%, the limit for the day, on hopes it may also be an acquisition target.

—V. Phani Kumar contributed to this article.

[Search by company, category or country at asia.WSJ.com/funds] INTERNATIONAL INVESTMENT FUNDS Advertisement

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
Industria AE	EU	EQ	DEU	11/13	EUR	69.04	31.9	27.8	-17.8
InternRent AE	EU	BD	DEU	11/13	EUR	35.88	2.3	-1.3	8.3

CHARTERED ASSET MANAGEMENT PTE LTD - TEL NO: 65-6835-8866
Fax No: 65-6835 8865, Website: www.cam.com.sg, Email: cam@cam.com.sg

CAM-GTF Limited	AS	EQ	MUS	11/06	USD	243269.17	80.3	87.4	-5.2

GAM

GAM FUND MANAGEMENT LIMITED
George's Court, 54-62 Townsend Street, Dublin 2, Ireland
Tel +353 1 609 3927 Fax +353 1 611 7941, Internet: www.gam.com

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	11/06	USD	1244.26	22.8	3.9	-9.8
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	11/09	JPY	14431.32	53.9	56.9	NS
GAM Asia Equity Hedge US	OT	OT	VGB	11/09	USD	272.34	56.0	59.4	-4.0
GAM Asia Equity USD	OT	OT	VGB	11/13	USD	631.54	57.3	73.8	-15.8
GAM Asia-Pacific Eq USD	OT	OT	VGB	11/10	USD	1259.42	17.2	13.2	-17.7
GAM Com Glb Bal EUR Op	US	BA	VGB	11/09	EUR	91.90	14.5	12.3	-10.8
GAM Com Glb Bal USD Op	US	BA	VGB	11/09	USD	127.03	14.5	12.3	-10.8
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	11/09	EUR	93.03	20.5	15.0	-18.4
GAM Comp Glb Eq USD Op	GL	EQ	VGB	11/09	USD	125.87	20.5	15.0	-18.4
GAM Comp Glb Gr EUR Op	US	BA	VGB	11/09	EUR	82.22	14.5	11.0	-15.3
GAM Comp Glb Gr USD Op	US	BA	VGB	11/09	USD	125.83	14.5	11.0	-15.3
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	11/06	USD	235.36	29.2	24.3	-16.3
GAM Cross Trading Inc	OT	OT	VGB	11/09	USD	466.94	6.7	8.7	NS
GAM Diversity CHF Op	OT	OT	VGB	11/09	CHF	94.23	4.1	1.0	-7.7
GAM Diversity EUR Op	OT	OT	VGB	11/09	EUR	647.61	4.9	2.1	-6.1
GAM Diversity USD 2.5XL	OT	OT	VGB	10/30	USD	76.73	6.4	-2.6	-22.6
GAM Diversity USD Op	OT	OT	VGB	11/09	USD	680.17	4.9	1.8	NS
GAM Dvrsty II CHF Op	OT	OT	VGB	11/09	CHF	99.51	4.0	0.7	NS
GAM Dvrsty II EUR Op	OT	OT	VGB	11/09	EUR	138.69	4.5	1.3	-6.2
GAM Dvrsty II USD Op	OT	OT	VGB	11/09	USD	210.15	4.6	1.3	-6.4
GAM DvrstyIII EUR Op	OT	OT	VGB	10/30	EUR	114.70	3.8	0.5	-6.8
GAM DvrstyIII USD Op	OT	OT	VGB	10/30	USD	121.09	3.8	0.4	-6.9
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	11/09	EUR	212.47	7.7	3.5	-7.3
GAM Euro Eq Hdg USD Op	OT	OT	VGB	11/09	USD	197.77	8.6	5.3	-5.7
GAM European Equity USD	OT	OT	VGB	11/12	USD	302.49	28.6	41.3	-13.1
GAM GAMCO	OT	EQ	VGB	11/10	USD	793.61	36.8	24.0	-14.4
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	10/30	EUR	97.64	13.2	7.3	-17.5
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	11/09	USD	104.63	15.6	9.6	-15.6
GAM Gbl Divers USD Inc.	GL	EQ	VGB	11/09	USD	249.29	22.1	24.4	-10.8
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	10/30	USD	261.34	83.0	103.9	5.6
GAM Intrst Trend II	GL	BD	VGB	11/09	USD	96.00	45.3	42.9	-13.1
GAM Intrst Trend Inc	OT	OT	VGB	11/09	USD	252.35	58.4	60.0	-10.7
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	11/09	EUR	114.98	7.7	3.2	-11.1
GAM Japan Eq Hdg USD Op	OT	OT	VGB	11/09	USD	120.60	7.2	4.1	NS
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	10/30	JPY	8507.22	10.3	7.0	-22.3
GAM Japan USD	JP	EQ	VGB	11/13	USD	1072.21	3.6	15.0	-16.5
GAM Japan YEN	JP	EQ	VGB	11/13	JPY	8442.13	5.4	9.9	-23.5
GAM Money Mkt EuroOp	EU	MM	VGB	11/12	EUR	51.20	0.1	0.3	1.9
GAM Money Mkt USD	US	MM	VGB	11/12	USD	99.99	0.0	0.0	1.1
GAM Multi-Arb EUR Op	OT	OT	VGB	11/09	EUR	113.28	1.1	-4.2	-9.1
GAM Multi-Arb USD Op	OT	OT	VGB	10/30	USD	118.02	1.1	-4.5	-9.4
GAM Multi-China EUR Op	OT	OT	VGB	10/30	EUR	159.17	7.2	8.0	-15.9
GAM Multi-China USD Op	OT	OT	VGB	10/30	USD	167.40	7.8	8.4	4.1
GAM Multi-Emer Mkts GBP	OT	OT	VGB	10/30	GBP	127.90	22.3	18.7	-4.8
GAM Multi-Emer Mkts USD	OT	OT	VGB	11/09	USD	638.45	23.2	19.5	-4.3
GAM Multi-Eur EUR Op	OT	OT	VGB	10/30	EUR	265.40	5.7	5.2	-12.9
GAM Multi-Eur II EUR Op	OT	OT	VGB	11/09	EUR	138.00	6.8	6.3	-12.0
GAM Multi-Eur II USD Op	OT	OT	VGB	11/09	USD	112.91	6.5	5.6	-13.0
GAM Multi-Eur USD Op	OT	OT	VGB	10/30	USD	462.12	5.5	4.6	-13.9
GAM Multi-Nth Am EUR Special	OT	OT	VGB	11/09	EUR	133.09	11.7	9.7	NS
GAM Multi-Nth Am USD Special	OT	OT	VGB	11/09	USD	216.84	12.1	10.7	NS
GAM Multi-Pac EUR Op	GL	EQ	VGB	10/30	EUR	140.15	2.8	2.6	-6.7
GAM Multi-Pac USD Op	OT	OT	VGB	11/09	USD	163.12	3.8	3.6	-6.4
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	11/06	USD	2499.87	60.7	53.3	6.4
GAM Sing/Malaysia	AS	EQ	VGB	11/13	USD	2438.65	46.8	48.1	-12.9
GAM Sterling Spe Bd Inc	OT	OT	VGB	11/09	GBP	238.87	38.3	38.0	0.9
GAM Trading EUR Inc	OT	OT	VGB	11/09	EUR	325.84	6.6	8.8	7.4
GAM Trading USD Inc	OT	OT	VGB	11/09	USD	975.18	6.8	8.7	6.9
GAM Trdg II IncEUR Op	OT	OT	VGB	11/09	EUR	139.39	6.5	8.7	7.3
GAM Trdg II IncUSD Op	OT	OT	VGB	11/09	USD	316.64	6.8	8.7	6.9
GAM Trdg IV IncEUR Op	OT	OT	VGB	11/09	EUR	147.11	6.3	8.5	7.1
GAM Trdg IV IncUSD Op	OT	OT	VGB	11/09	USD	154.86	6.5	8.5	6.8
GAM Trdg V IncEUR Op	OT	OT	VGB	10/30	EUR	124.10	5.8	7.8	6.7
GAM Trdg V IncUSD Op	OT	OT	VGB	10/30	USD	129.23	5.9	7.8	6.3
GAM TrdgIII IncEUR Op	OT	OT	VGB	11/09	EUR	157.29	6.4	8.6	7.1
GAM TrdgIII IncUSD Op	OT	OT	VGB	11/09	USD	162.87	6.5	8.5	6.8
GAM USDSpecBondInc	US	BD	VGB	11/09	USD	517.18	70.1	72.0	3.5
GAM Worldwide	GL	EQ	VGB	11/12	USD	2236.95	24.9	35.0	-11.0
GAMut Investments	OT	OT	VGB	11/11	USD	7640.60	5.2	9.9	7.6

GAM Star Fund Plc

GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	11/12	CHF	10.40	46.8	39.8	-20.6
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	11/12	EUR	11.01	47.3	39.3	-16.5
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	11/12	GBP	1.47	38.2	49.2	-5.9
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	11/12	USD	12.85	56.7	66.4	-15.3
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	11/12	EUR	96.56	14.2	4.0	-15.9
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	11/12	EUR	93.44	14.2	4.0	-15.9
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	11/12	EUR	10.63	20.8	19.8	-12.5
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	11/12	EUR	179.42	22.5	20.0	-14.5
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	11/12	EUR	163.94	22.5	19.9	-14.5
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	11/12	USD	16.24	30.1	43.1	-13.3
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	11/12	USD	14.73	30.1	43.0	-13.3
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	11/12	USD	5.87	24.8	15.5	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	11/12	EUR	84.12	3.3	-3.6	-15.2
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	11/12	EUR	84.12	3.4	-3.6	-15.2
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	11/12	JPY	884.24	5.5	4.5	-23.3
GAMStar-JpnEq USD Acc	JP	EQ	IRL	11/12	USD	10.82	2.8	5.8	-17.2
GAMStar-World EqUSD Acc	GL	EQ	IRL	11/12	USD	2214.22	25.8	36.1	-10.1

المجموعة المالية - هيرميس
EFG HERMES

HERMES FINANCIAL MANAGEMENT (EGYPT) LIMITED, AMSALES@EFG-HERMES.COM
Tel: 9714 363 4041 ☆Middle East & Developing Africa Fund

EFG-Hermes Egypt	GL	EQ	BMU	10/30	USD	43.54	25.9	29.9	-14.4
EFG-Hermes MEDA☆	GL	EQ	BMU	09/30	USD	24.16	15.3	-17.3	-10.4
EFG-Hermes Saudi Arabia Equity	EA	EQ	SAU	10/27	SAR	6.27	32.3	11.2	NS
EFG-Hermes Telecom	OT	EQ	BMU	09/30	USD	29.73	16.0	-0.1	-8.2

LLOYD GEORGE MANAGEMENT (HK) LTD
Suite 3808, One Exchange Square, HK: Tel. 852 2845 4433 Fax. 852 2845 3911

LG Antenna	GL	EQ	BMU	11/06	USD	57.09	67.2	69.1	-14.0
LG Asian Plus	AS	EQ	CYM	11/06	USD	54.16	43.3	41.3	-24.1
LG AsianSmallerCo's	AS	EQ	BMU	11/13	USD	92.54	67.8	78.7	-25.2
LG India	EA	EQ	MUS	11/12	USD	62.22	95.0	90.0	-14.6

Manulife WEALTH MANAGEMENT 宏利財富管理

MANULIFE ASSET MANAGEMENT TEL:(852)2108 1110
Internet:http://www.manulife.com.hk 47/F Manulife Plaza, Causeway Bay, Hong Kong

American Growth	US	EQ	LUX	11/16	USD	14.74	22.3	27.7	-13.7
American Growth AA	US	EQ	LUX	11/16	USD	0.85	22.0	28.3	NS
Asian Equity	AS	EQ	LUX	11/16	USD	2.44	58.2	70.0	-12.5
Asian Equity AA	AS	EQ	LUX	11/16	USD	0.79	58.6	70.4	NS
Asian Sm Cap Equity AA	AS	EQ	LUX	11/16	USD	1.12	80.2	95.1	-10.3
China Value A	AS	EQ	LUX	11/16	USD	7.14	60.3	79.3	-8.4
China Value AA	AS	EQ	LUX	11/16	USD	2.25	59.8	78.8	-8.6
Dragon Growth	AS	EQ	LUX	11/16	USD	1.67	66.1	82.6	-10.2
Dragon Growth AA	OT	OT	LUX	11/16	HKD	8.10	67.5	83.2	NS
Emg Eastrn Europe A	EU	EQ	LUX	11/16	USD	4.70	94.3	101.7	-17.6
Emg Eastrn Europe AA	EU	EQ	LUX	11/16	USD	2.02	93.5	100.8	-17.8
European Growth	EU	EQ	LUX	11/16	USD	9.34	41.6	56.7	-18.5
European Growth AA	EU	EQ	LUX	11/16	USD	0.67	41.4	56.6	NS
Global Contrarain AA	GL	EQ	LUX	11/16	USD	0.86	78.1	93.4	NS
Global Property AA	OT	EQ	LUX	11/16	USD	0.66	40.3	50.7	-18.4
Global Resources AA	OT	EQ	LUX	11/16	USD	1.09	51.5	95.8	-11.8
Healthcare AA	OT	EQ	LUX	11/16	USD	0.90	8.6	15.1	NS
India Equity AA	EA	EQ	LUX	11/16	USD	1.07	73.9	76.7	-17.1
International Growth	GL	EQ	LUX	11/16	USD	3.05	21.0	29.4	-15.7
International Growth AA	GL	EQ	LUX	11/16	USD	0.71	20.6	29.0	NS
Japanese Growth	JP	EQ	LUX	11/16	USD	2.67	3.3	12.1	-16.0
Japanese Growth AA	JP	EQ	LUX	11/16	USD	0.70	3.1	11.9	NS
Latin America Equity AA	GL	EQ	LUX	11/16	USD	1.25	92.4	106.9	-6.2
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	11/13	USD	1.10	NS	NS	NS
Russia Equity AA	EE	EQ	LUX	11/16	USD	0.66	133.3	125.3	NS
Taiwan Equity AA	AS	EQ	LUX	11/16	USD	1.04	70.0	85.9	-4.1
Turkey Equity AA	EE	EQ	LUX	11/16	USD	0.72	94.9	118.4	NS
U.S. Bond AA	US	BD	LUX	11/16	USD	1.10	13.2	16.2	5.7
U.S. High Yield Bond AA	US	BD	LUX	11/16	USD	0.73	54.6	46.0	-9.3
U.S. Sm Cap Equity AA	US	EQ	LUX	11/16	USD	0.78	61.5	59.0	-16.1
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	11/16	USD	1.15	7.5	12.6	3.6

PT CIPTADANA ASSET MANAGEMENT
Tel: +62 21 25574 883 Fax: +62 21 25574 893 Website: www.ciptadana.com

Indonesian Grth Fund	EA	EQ	CYM	11/11	USD	119.46	101.6	156.9	-6.6

Sensible Asset Management
A Value Partners Group company

SENSIBLE ASSET MANAGEMENT LIMITED
www.samfund.com.hk Tel: (852) 2868 6848 Fax: (852) 2810 9948

Asia Value Formula Fd-B	AS	EQ	CYM	11/12	USD	7.75	80.7	88.1	-8.4

SOCIETE GENERALE
Asset Management

SG ASSET MANAGEMENT HTTP://WWW.SGAM.COM
SGAM Fund

Bonds Eur Hi Yld A	EU	BD	LUX	11/12	EUR	20.19	51.8	40.5	-3.2
Bonds EURO A	EU	BD	LUX	11/12	EUR	41.21	4.4	7.7	5.2
Bonds EUROPE A	EU	BD	LUX	11/12	EUR	39.26	3.6	6.4	4.1
Bonds US OppsCoreplus A	US	BD	LUX	11/12	USD	37.01	17.4	20.0	9.1
Bonds World A	GL	BD	LUX	11/12	USD	43.36	8.9	18.1	7.6
Eq. China A	AS	EQ	LUX	11/13	USD	24.06	61.0	83.9	-15.1
Eq. ConcentratedEuropeA	EU	EQ	LUX	11/12	EUR	26.12	26.8	29.8	-19.5
Eq. Eastern Europe A	EU	EQ	LUX	11/12	EUR	22.38	69.3	57.5	-28.7
Eq. Euroland A	EU	EQ	LUX	11/13	EUR	10.49	13.8	16.2	-22.3
Eq. EurolandCyclclsA	EU	EQ	LUX	11/12	EUR	17.11	24.6	31.7	-17.8
Eq. EurolandFinancialA	OT	EQ	LUX	11/12	EUR	11.89	41.1	33.0	-19.2
Eq. Glbl Emg Cty A	GL	EQ	LUX	11/13	USD	9.55	58.8	73.4	-17.5
Eq. Global A	GL	EQ	LUX	11/13	USD	27.60	30.6	37.4	-15.4
Eq. Global Energy A	OT	EQ	LUX	11/13	USD	18.12	26.4	35.7	-15.3
Eq. Global Technol A	OT	OT	LUX	04/24	USD	4.46	22.1	-29.7	-21.6
Eq. Gold Mines A	OT	EQ	LUX	11/12	USD	31.17	49.0	142.3	-2.6
Eq. Pacific A	AS	EQ	LUX	11/13	USD	10.23	60.2	71.6	-14.4
Eq. US Lg Cap Gr A	US	EQ	LUX	11/13	USD	14.84	37.0	38.8	-12.1
Eq. US Rel Val A	US	EQ	LUX	11/12	USD	20.12	29.5	37.7	-16.2
Eq. US Sm Cap Val A	US	EQ	LUX	11/13	USD	15.00	15.1	21.2	-23.4
Money Market EURO A	EU	MM	LUX	11/12	EUR	27.38	1.0	1.5	2.9
Money Market USD A	US	MM	LUX	11/12	USD	15.83	0.5	0.8	2.0

المستثمر الوطني
The National Investor

THE NATIONAL INVESTOR
TNI Tower | Zayed 1st Street Khalidia| Web:www.tni.ae

TNI Mena Real Estate Fund	OT	OT	BMU	11/05	USD	1039.23	10.5	-3.8	-20.6
TNI MENA Special Sits Fund	OT	OT	BMU	10/29	USD	1139.93	17.4	NS	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	11/05	AED	6.16	34.2	-9.4	-24.2

Value Partners
Investing through discipline

WEBSITE: WWW.VALUEPARTNERS.COM.HK, TEL: (852) 2880 9263, FAX: (852) 2564 8487
☆formerly known as China ABH Shares Fund

Intel-Chin MainInd Foc	AS	EQ	CYM	10/30	USD	27.48	71.3	87.2	-7.5
Intel-China Converg☆	AS	EQ	CYM	10/30	USD	105.19	72.6	90.7	-10.8
VP Classic - A	AS	EQ	CYM	11/13	USD	183.27	79.8	97.3	-6.7
VP Classic - B	AS	EQ	CYM	11/13	USD	85.47	79.0	96.3	-7.2
VP High Dividend Stk	AS	EQ	CYM	11/09	USD	43.57	75.3	87.6	-5.2

YUKI INTERNATIONAL LIMITED
Tel +44-207-269 0203 www.yukifunds.com

YMR-N Series

YMR-N Growth Fund	OT	OT	IRL	11/13	JPY	8909.00	3.5	5.2	-28.9
YMR-N Small Cap Fund	OT	OT	IRL	11/13	JPY	6825.00	6.3	12.9	-28.0

Yuki 77 Series

Yuki 77 General	JP	EQ	IRL	11/16	JPY	5741.00	-0.9	0.5	-29.6
Yuki 77 Growth	JP	EQ	IRL	11/16	JPY	5427.00	-5.8	-6.0	-34.5

Yuki Chugoku Series

Yuki Chugoku Jpn Gen	JP	EQ	IRL	11/16	JPY	6392.00	3.4	4.6	-27.0
Yuki Chugoku JpnLowP	JP	EQ	IRL	11/16	JPY	7323.00	-8.4	-4.4	-25.4

Yuki Hokuyo Japan Series

Yuki Hokuyo Jpn Gen	JP	EQ	IRL	11/16	JPY	4335.00	-3.4	-3.0	-30.3
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	11/16	JPY	4969.00	-5.1	-3.6	-23.5
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	11/16	JPY	4890.00	6.0	12.5	-25.8

Yuki Mizuho Series

Yuki Mizuho Gen Jpn III	OT	OT	IRL	11/16	JPY	4095.00	-2.6	-4.1	-33.4
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	11/16	JPY	4424.00	0.4	-2.1	-33.0
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	11/16	JPY	6412.00	6.4	6.1	-28.2
Yuki Mizuho Jpn Gen	OT	OT	IRL	11/16	JPY	8036.00	1.9	3.5	-28.8
Yuki Mizuho Jpn Gro	OT	OT	IRL	11/16	JPY	6005.00	-2.1	0.6	-31.3
Yuki Mizuho Jpn Inc	OT	OT	IRL	11/16	JPY	7141.00	-9.5	-7.6	-26.5
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	11/16	JPY	4869.00	-1.0	-0.4	-28.4
Yuki Mizuho Jpn LowP	OT	OT	IRL	11/16	JPY	11051.00	-0.3	5.3	-21.8
Yuki Mizuho Jpn PGth	OT	OT	IRL	11/16	JPY	7566.00	0.8	1.1	-32.5
Yuki Mizuho Jpn SmCp	OT	OT	IRL	11/16	JPY	6766.00	13.1	17.8	-27.8
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	11/16	JPY	5394.00	5.4	10.2	-24.3
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	11/16	JPY	2646.00	15.9	10.8	-32.9

Yuki Shizuoka Japan Series

Yuki Shizuoka General Japan	JP	EQ	IRL	11/16	JPY	5060.00	0.9	2.3	-29.9

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com or Peter Jennings, tel: +44-20-7842-9674; email: peter.jennings@dowjones.com

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE		
	Previous session	Year-to-date	52-week
Brazil	1.87%	**104.4%**	118.3%
Russia	4.39	**99.8**	118.7
China 88	3.12	**87.5**	69.3
Turkey	0.51	**76.4**	96.9
Singapore	2.26	**60.0**	61.4
Hong Kong	1.63	**55.5**	69.5
Sweden	0.60	**51.8**	59.3
South Korea	1.42	**45.6**	50.7
Netherlands	1.04	**37.5**	37.7
Canada	0.82	**27.4**	31.1
Australia	0.63	**27.4**	30.0
Switzerland	1.31	**24.7**	26.2
Italy	1.52	**23.9**	19.1
U.K.	1.59	**20.8**	29.8
France	1.34	**20.4**	22.8
South Africa	1.07	**19.7**	38.6
Spain	0.75	**17.7**	26.6
Germany	1.82	**15.0**	20.8
Japan	-0.63	**1.2**	0.3

Dow Jones Regional Sector Titans

Basic Res	3.35%	**81.0%**	104.4%
Tiger 50*	1.97	**59.1**	72.2
Technology	1.09	**51.7**	62.4
EU Enlarged†-p	-1.07	**39.0**	30.4
Nordic 30 -p	0.08	**38.9**	32.5
Asian 50	0.53	**30.4**	39.1
Stoxx 50 -p	0.49	**20.4**	16.5
Global 50	0.49	**20.3**	26.6
Euro Stoxx 50 -p	0.21	**17.8**	17.4
Arab 50	0.88	**8.6**	8.4

*Asia excluding Japan †15 companies from the new EU countries; Cyprus, CzechRepublic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Source: Dow Jones Indexes

Dow Jones Asia Titans: Monday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
RioZim Ltd	Australia	General Mining	$41.4	72.88	**4.83%**	25.7%	26.5%
China Constr Bk	Hong Kong	Banks	214.3	7.39	**3.65**	79.8	80.2
Hon Hai Precision Ind	Taiwan	Electrical Components Equipment	36.4	137.50	**3.38**	159.2	-9.1
BHP Billiton	Australia	General Mining	125.9	40.10	**2.79**	59.8	53.9
Samsung Elec	South Korea	Semiconductors	93.6	733,000	**2.66**	62.7	12.4
Sumitomo Mitsui Finl	Japan	Banks	$34.4	3,050	**-5.86%**	-13.8	-73.9
Mitsubishi UFJ Finl Grp	Japan	Banks	62.1	480.00	**-5.51**	-18.0	-65.2
Mizuho Financial Grp	Japan	Banks	27.0	172.00	**-3.91**	-28.4	-79.1
Westpac Bking	Australia	Banks	68.9	25.29	**-2.05**	55.0	6.4
Mitsubishi	Japan	Industrial Suppliers	36.1	1,969	**-1.80**	55.0	-2.5

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Indl Comm Bk China Hong Kong (Banks)	74.6	6.96	**2.35%**	88.1%	73.6%
Woodside Petroleum Australia (Exploration Production)	33.3	50.10	**2.33**	39.9	40.2
Tokyo Elec Power Japan (Conventional Electricity)	33.2	2,195	**2.09**	-23.9	-36.9
POSCO South Korea (Iron Steel)	36.4	554,000	**2.03**	79.3	99.3
CNOOC Hong Kong (Exploration Production)	73.4	12.74	**1.59**	112.0	92.2
Hutchison Whampoa Hong Kong (Diversified Industrials)	30.4	55.30	**1.47**	47.7	-22.3
Sun Hung Kai Prop Hong Kong (Real Estate Holding Development)	39.1	118.30	**1.46**	102.6	32.9
PetroChina Hong Kong (Integrated Oil Gas)	27.4	10.08	**1.31**	73.5	13.1
Toyota Motor Japan (Automobiles)	125.0	3,550	**1.14**	13.4	-49.0
Woolworths Australia (Food Retailers Wholesalers)	32.7	28.35	**1.11**	1.6	32.7
China Life Ins Hong Kong (Life Insurance)	37.5	39.10	**1.03**	82.3	111.6
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	50.2	62.40	**0.97**	53.7	1.8
Seven I Hldgs Japan (Broadline Retailers)	19.7	1,954	**0.88**	-35.3	-43.4
Kansai Elec Power Japan (Conventional Electricity)	21.5	2,015	**0.75**	-17.3	-27.9
China Mobile (HK) Hong Kong (Mobile Telecommunications)	190.1	74.10	**0.47**	7.5	10.9
Tokio Marine Japan (Property Casualty Insurance)	21.3	2,420	**0.41**	-22.4	-36.8
Cheung Kong (Hldgs) Hong Kong (Real Estate Holding Development)	29.4	98.25	**0.36**	45.3	10.5
KB Fncl Group South Korea (Banks)	19.9	59,700	**0.34**	89.5	-16.4
Takeda Pharm Japan (Pharmaceuticals)	31.2	3,530	**0.28**	-26.8	-52.9
NTT DoCoMo Japan (Mobile Telecommunications)	62.1	130,400	**0.23**	-16.6	-27.6

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
East Japan Railway Japan (Travel Tourism)	25.5	5,710	**0.18%**	-24.2%	-28.9%
Nintendo Japan (Toys)	32.9	23,020	**0.17**	-24.5	-10.7
Japan Tobacco Japan (Tobacco)	26.8	250,000	**0.16**	-19.6	-52.0
QBE Ins Grp Australia (Reinsurance)	21.1	22.51	**0.04**	-9.6	-10.1
Shinhan Financial Grp South Korea (Banks)	19.6	47,800	**...**	54.6	8.4
JFE Hldgs Japan (Iron Steel)	18.1	3,060	**...**	38.5	-35.7
KDDI Japan (Mobile Telecommunications)	22.8	460,000	**-0.22**	-22.7	-38.9
Nippon Steel Japan (Iron Steel)	23.5	334.00	**-0.30**	20.6	-30.1
Shin-Etsu Chml Japan (Specialty Chemicals)	22.5	4,740	**-0.42**	5.6	-35.2
Nippon T&T Japan (Fixed Line Telecommunications)	55.3	3,740	**-0.53**	-10.7	-33.6
Westfield Grp Australia (Retail REITs)	26.2	12.31	**-0.57**	-16.0	-34.9
Commonwealth Bk of Australia Australia (Banks)	76.7	53.96	**-0.68**	72.2	14.4
Honda Motor Japan (Automobiles)	58.8	2,880	**-0.69**	34.3	-29.8
Panasonic Japan (Consumer Electronics)	27.9	1,205	**-0.74**	-19.1	-46.7
Sony Japan (Consumer Electronics)	28.2	2,530	**-0.78**	21.1	-46.5
Nissan Motor Japan (Automobiles)	33.1	654.00	**-1.06**	77.2	-54.0
Aus NZ Bk Australia (Banks)	52.0	22.18	**-1.33**	67.5	-20.4
National Australia Bk Australia (Banks)	55.0	28.50	**-1.35**	50.6	-25.3
Canon Japan (Electronic Office Equipment)	46.5	3,370	**-1.46**	14.8	-44.9
Mitsui Japan (Industrial Suppliers)	23.6	1,165	**-1.60**	41.4	-22.1

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
All statistics published in The Wall Street Journal Asia from markets outside the Asian-Pacific region reflect preliminary data.

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com/Asia**.
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/OnlineToday**

Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	0.20%	0.32%	1.5%	7.0%	7.2%
Event Driven	0.05	0.65	4.3	13.3	2.7
Equity Long/Short	-0.17	-1.54	0.3	2.8	-3.9

*Estimates as of 11/12/09, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

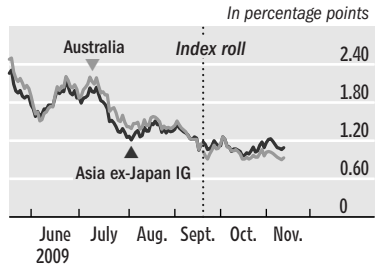
Markit iTraxx Indexes

Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 12/1	0.85	100.72%	0.01%	1.00	0.78	0.86
Eur. High Volatility: 12/1	1.38	98.24	0.01	1.76	1.34	1.46
Europe Crossover: 12/1	5.17	99.30	0.05	6.15	4.87	5.37
Asia ex-Japan IG: 12/1	1.09	99.57	0.01	1.26	0.96	1.10
Japan: 12/1	1.35	98.28	0.01	1.53	0.99	1.27

Note: Data as of November 13

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.



Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Sanyo Shinpan Fin	777	**-12**	-86	-395
Promise	772	**-12**	-103	-414
Yokogawa Elec	92	**-6**	-5	-4
Orix	332	**-4**	-21	-106
Nippon Paper Inds	90	**-2**	-3	26
DIC	115	**-1**	-2	-3
KT	79	**-1**	-3	4
Socialist Rep Vietnam	208	**-1**	-14	43
Mitsubishi Elec	36	**-1**	-4	-7
Japan Tob	38	**-1**	-2	-2

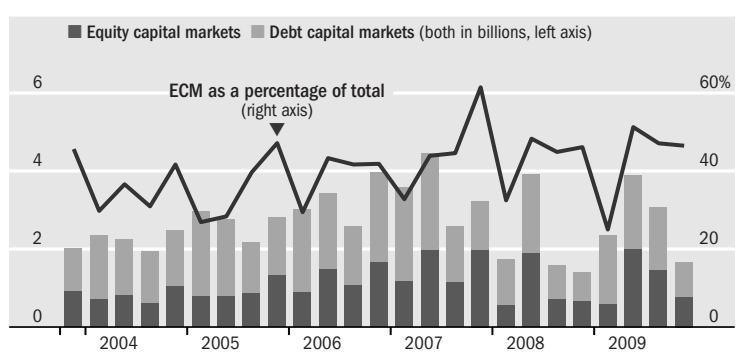
And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Sompo Japan Ins	105	**7**	6	16
Kawasaki Kisen Kaisha	162	**9**	4	32
Shimizu	139	**12**	10	36
Nomura Hldgs	176	**18**	13	17
Nishimatsu Constr	505	**19**	-18	-54
Taisei	310	**19**	23	86
Kajima	225	**26**	27	51
Obayashi	180	**27**	25	58
Marui Group	221	**36**	38	57
Taiheiyo Cem	500	**109**	118	115

Source: Markit Group

Europe, Middle East & Africa: Bank revenues from equity capital markets

Behind every IPO, follow-on or convertible equity offering is one or more investment banks. At right, investment banks historical and year-to-date revenues from global equity-capital-market (ECM) deals



Source: Dealogic

GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

	Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
	Corn (cents/bu.)	CBOT	**415.25**	9.50	**2.34%**	712.25	315.50
	Soybeans (cents/bu.)	CBOT	**1006.00**	19.00	**1.93**	1,315.00	794.00
	Wheat (cents/bu.)	CBOT	**577.00**	17.25	**3.08**	1,029.25	459.00
	Live cattle (cents/lb.)	CME	**78.400**	2.090	**2.74**	116.900	83.400
	Cocoa ($/ton)	ICE-US	**3,159**	25	**0.80**	3,439	1,994
	Coffee (cents/lb.)	ICE-US	**136.30**	2.10	**1.56**	188.65	115.00
	Sugar (cents/lb.)	ICE-US	**23.10**	0.38	**1.67**	26.25	11.91
	Cotton (cents/lb.)	ICE-US	**71.76**	0.43	**0.60**	84.00	49.67
	Crude palm oil (ringgit/ton)	MDEX	**2,325.00**	56	**2.47**	4,200	1,487
	Cocoa (pounds/ton)	LIFFE	**2,086**	5	**0.24**	2,250	1,475
	Robusta coffee ($/ton)	LIFFE	**1,322**	16	**1.23**	1,955	1,295
	Copper (cents/lb.)	COMEX	**309.25**	9.30	**3.10**	365.00	135.50
	Gold ($/troy oz.)	COMEX	**1133.00**	16.30	**1.46**	1,133.50	494.00
	Silver (cents/troy oz.)	COMEX	**1817.50**	79.50	**4.57**	2,200.00	740.00
	Aluminum ($/ton)	LME	**1,970.00**	34.00	**1.76**	2,065.00	1,288.00
	Tin ($/ton)	LME	**14,700.00**	-75.00	**-0.51%**	15,700.00	9,750.00
	Copper ($/ton)	LME	**6,700.00**	189.00	**2.90**	6,700.00	2,815.00
	Lead ($/ton)	LME	**2,320.00**	60.00	**2.65**	2,459.50	870.00
	Zinc ($/ton)	LME	**2,220.00**	53.50	**2.47**	2,344.00	1,065.00
	Nickel ($/ton)	LME	**16,550**	350	**2.16**	21,150	9,175
	Crude oil ($/bbl.)	NYMEX	**78.88**	2.53	**3.31**	139.00	47.31
	Heating oil ($/gal.)	NYMEX	**2.0642**	0.0612	**3.06**	4.1847	1.3640
	RBOB gasoline ($/gal.)	NYMEX	**2.0018**	0.0546	**2.80**	2.7100	1.1525
	Natural gas ($/mmBtu)	NYMEX	**4.984**	0.186	**3.88**	12.920	4.674
	Brent crude ($/bbl.)	ICE-EU	**78.48**	2.17	**2.84**	108.19	48.19
	Gas oil ($/ton)	ICE-EU	**638.25**	16.25	**2.61**	790.00	443.50

Source: Thomson Reuters; WSJ Market Data Group

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com/Asia**. Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/OnlineToday**

Currencies

London close on Nov. 16

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.7137	0.1750	3.8145	0.2622
Brazil real	2.5640	0.3900	1.7117	0.5842
Canada dollar	1.5640	0.6394	1.0442	0.9577
1-mo. forward	1.5640	0.6394	1.0441	0.9577
3-mos. forward	1.5640	0.6394	1.0442	0.9577
6-mos. forward	1.5644	0.6392	1.0444	0.9575
Chile peso	741.69	0.001348	495.15	0.002020
Colombia peso	2949.48	0.0003390	1969.08	0.0005079
Ecuador US dollar-f	1.4979	0.6676	1	1
Mexico peso-a	19.4690	0.0514	12.9976	0.0769
Peru sol	4.2982	0.2327	2.8695	0.3485
Uruguay peso-e	30.632	0.0326	20.450	0.0489
U.S. dollar	1.4979	0.6676	1	1
Venezuela bolivar	3.22	0.310903	2.15	0.465701
ASIA-PACIFIC				
Australia dollar	1.5984	0.6256	1.0671	0.9372
China yuan	10.2261	0.0978	6.8270	0.1465
Hong Kong dollar	11.6087	0.0861	7.7500	0.1290
India rupee	69.2180	0.0144	46.2100	0.0216
Indonesia rupiah	14065	0.0000711	9390	0.0001065
Japan yen	133.78	0.007475	89.32	0.011196
1-mo. forward	133.77	0.007476	89.30	0.011198
3-mos. forward	133.71	0.007479	89.27	0.011203
6-mos. forward	133.63	0.007484	89.21	0.011210
Malaysia ringgit-c	5.0442	0.1982	3.3675	0.2970
New Zealand dollar	2.0063	0.4984	1.3394	0.7466
Pakistan rupee	125.075	0.0080	83.500	0.0120
Philippines peso	69.652	0.0144	46.500	0.0215
Singapore dollar	2.0746	0.4820	1.3850	0.7220
South Korea won	1729.77	0.0005781	1154.80	0.0008660
Taiwan dollar	48.194	0.02075	32.175	0.03108
Thailand baht	49.738	0.02011	33.205	0.03012

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.6676	1.4979
1-mo. forward	1.0001	0.9999	0.6677	1.4977
3-mos. forward	1.0004	0.9996	0.6679	1.4973
6-mos. forward	1.0009	0.9991	0.6682	1.4966
Czech Rep. koruna-b	25.487	0.0392	17.015	0.0588
Denmark krone	7.4405	0.1344	4.9673	0.2013
Hungary forint	265.98	0.003760	177.57	0.005632
Norway krone	8.3219	0.1202	5.5557	0.1800
Poland zloty	4.0888	0.2446	2.7297	0.3663
Russia ruble-d	42.922	0.02330	28.655	0.03490
Sweden krona	10.1747	0.0983	6.7927	0.1472
Switzerland franc	1.5087	0.6628	1.0072	0.9929
1-mo. forward	1.5085	0.6629	1.0070	0.9930
3-mos. forward	1.5079	0.6632	1.0067	0.9933
6-mos. forward	1.5070	0.6636	1.0061	0.9940
Turkey lira	2.2075	0.4530	1.4737	0.6786
U.K. pound	0.8930	1.1199	0.5961	1.6774
1-mo. forward	0.8932	1.1196	0.5963	1.6771
3-mos. forward	0.8935	1.1191	0.5965	1.6764
6-mos. forward	0.8941	1.1184	0.5969	1.6753
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5647	1.7708	0.3770	2.6526
Egypt pound-a	8.1728	0.1224	5.4562	0.1833
Israel shekel	5.6239	0.1778	3.7545	0.2663
Jordan dinar	1.0601	0.9433	0.7078	1.4129
Kuwait dinar	0.4271	2.3411	0.2852	3.5068
Lebanon pound	2258.08	0.0004429	1507.50	0.0006634
Saudi Arabia riyal	5.6175	0.1780	3.7503	0.2666
South Africa rand	11.0189	0.0908	7.3562	0.1359
United Arab dirham	5.5019	0.1818	3.6731	0.2722
SDR -f	0.9353	1.0692	0.6244	1.6016

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Dow Jones and Dow Jones Stoxx Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	Year-to-date	52-wk.	Three-yr., annualized
2.20%	2	**DJ Global Index**	227.22	3.27	**3.27%**	42.1%	1.5%	-5.4%
1.94	20	**Global DOW**	1962.49	12.03	**12.03**	39.1	0.6	-1.5
2.49		**Asia/Pacific 600**	113.69	0.39	**0.39**	28.4	0.3	-6.3
1.79	0	**Emerging Markets**	277.42	5.53	**5.53**	92.5	2.0	5.5
2.25	45	**Asia/Pacific**	121.76	0.95	**0.95**	40.8	0.8	-4.1
2.52	17	**Asia/Pacific ex-Japan**	313.21	5.07	**5.07**	84.5	1.6	2.7
2.74	24	**Southeast Asia**	155.42	2.68	**2.68**	80.6	1.8	4.0
0.84	33	**CBN China 600** -c	29291.46	814.76	**814.76**	84.8	2.9	34.4
0.87	36	**Shanghai**	390.13	10.47	**10.47**	83.1	2.8	33.8
0.60	55	**Shenzhen**	412.60	10.52	**10.52**	112.1	2.6	39.9
2.10	21	**China Offshore 50**	4314.31	70.43	**70.43**	81.4	1.7	14.8
8.99	10	**Australia LPT** -c, d	1152.56	5.17	**5.17**	-4.4	0.5	-19.1
2.18%	3	**Islamic Market**	1953.09	30.77	**30.77%**	42.4%	1.6%	-1.3%
2.51	15	**Islamic Market 100**	2102.32	31.39	**31.39**	29.5	1.5	-2.3
9.56	24	**Bahrain**	121.92	-0.25	**-0.25**	-27.9	-0.2	-12.9
2.75	32	**Kuwait**	199.69	2.45	**2.45**	-9.5	1.2	-16.3
2.64	19	**Sustainability**	1028.18	16.91	**16.91**	43.5	1.7	-5.9
2.81	50	**Stoxx 600 -p**	275.52	1.41	**1.41**	41.5	0.5	-7.1
4.95	13	**Stoxx Select Div 30 -p**	1855.77	4.39	**4.39**	37.8	0.2	-18.6
4.20	16	**Euro Stoxx Sel Div 30 -p**	2184.84	-4.78	**-4.78**	47.5	-0.2	-14.2
1.79	30	**DJ U.S. TSM**	11359.08	158.61	**158.61**	33.5	1.4	-6.9
4.11	15	**U.S. Select Dividend -d**	635.31	9.21	**9.21**	11.2	1.5	-10.2
4.75		**U.S. REIT**	139.28	2.59	**2.59**	38.0	1.9	-18.6
		DJ-UBS Commodity -p	131.68	0.21	**0.21**	6.1	0.2	-7.7

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET. Source: Dow Jones Indexes

Reuters Group PLC is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
U.S.		1.067	0.596	1.044	6.827	0.668	7.750	46.210	9389.67	89.315	1.339	1154.80	3.367	46.500	1.385	1.007	32.174	33.205
Australia	0.937		0.559	0.979	6.398	0.626	7.263	43.306	8799.53	83.702	1.255	1082.22	3.156	43.577	1.298	0.944	30.152	31.118
Britain	1.677	1.790		1.752	11.452	1.120	13.000	77.515	15750.70	149.821	2.247	1937.12	5.649	78.001	2.323	1.690	53.971	55.700
Canada	0.958	1.022	0.571		6.538	0.639	7.422	44.256	8992.65	85.538	1.283	1105.97	3.225	44.534	1.326	0.965	30.814	31.801
China	0.1465	0.156	0.087	0.153		0.098	1.135	6.769	1375.38	13.083	0.196	169.15	0.493	6.811	0.203	0.148	4.713	4.864
Euro	1.498	1.598	0.893	1.564	10.226		11.609	69.218	14064.79	133.785	2.006	1729.78	5.044	69.652	2.075	1.509	48.194	49.738
Hong Kong	0.129	0.138	0.077	0.135	0.881	0.086		5.963	1211.57	11.525	0.173	149.01	0.435	6.000	0.179	0.130	4.152	4.285
India	0.0216	0.0231	0.0129	0.0226	0.1477	0.0144	0.1677		203.20	1.9328	0.0290	24.99	0.0729	1.0063	0.0300	0.0218	0.6963	0.7186
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0007	0.0001	0.0008	0.0049		0.0095	0.0001	0.12	0.0004	0.0050	0.0001	0.0001	0.0034	0.0035
Japan	0.011	0.012	0.007	0.012	0.076	0.007	0.087	0.517	105.13		0.015	12.93	0.038	0.521	0.016	0.011	0.360	0.372
New Zealand	0.747	0.797	0.445	0.780	5.097	0.498	5.786	34.500	7010.33	66.683		862.17	2.514	34.717	1.034	0.752	24.021	24.791
South Korea	0.0009	0.0009	0.0005	0.0009	0.0059	0.0006	0.0067	0.0400	8.13	0.0773	0.0012		0.0029	0.0403	0.0012	0.0009	0.0279	0.0288
Malaysia	0.297	0.317	0.177	0.310	2.027	0.198	2.301	13.722	2788.32	26.523	0.398	342.93		13.808	0.411	0.299	9.554	9.860
Philippines	0.022	0.023	0.013	0.022	0.147	0.014	0.167	0.994	201.93	1.921	0.029	24.83	0.072		0.030	0.022	0.692	0.714
Singapore	0.722	0.770	0.430	0.754	4.929	0.482	5.596	33.365	6779.55	64.487	0.967	833.79	2.431	33.574		0.727	23.231	23.975
Switzerland	0.993	1.059	0.592	1.037	6.778	0.663	7.695	45.880	9322.55	88.677	1.330	1146.55	3.343	46.168	1.375		31.944	32.968
Taiwan	0.031	0.033	0.019	0.032	0.212	0.021	0.241	1.436	291.84	2.776	0.042	35.89	0.105	1.445	0.043	0.031		1.032
Thailand	0.030	0.032	0.018	0.031	0.206	0.020	0.233	1.392	282.78	2.690	0.040	34.78	0.101	1.400	0.042	0.030	0.969	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of November. 16, 2009

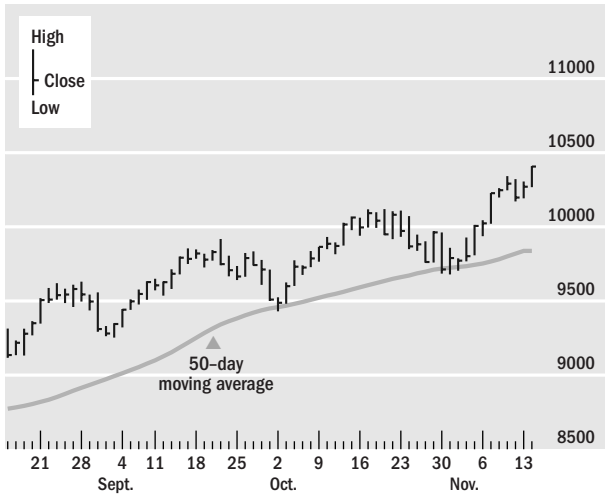
Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.50%	23	**ALL COUNTRY (AC) WORLD***	296.10	0.48%	**30.0%**	25.4%
2.60	24	**World (Developed Markets)**	1,158.26	0.50	**25.9**	21.0
1.90	1638	**World Small Cap**	185.72	0.81	**38.4**	33.8
2.70	20	**Kokusai (World ex-Japan)**	1,150.41	0.47	**28.9**	22.3
3.10	25	**EAFE**	1,587.96	0.43	**28.3**	28.2
2.30	19	**Emerging Markets (EM)**	962.51	0.38	**69.7**	68.7
2.70	24	**AC ASIA PACIFIC EX-JAPAN**	408.49	0.09	**65.1**	67.6
2.20	25	**AC Far East ex-Japan**	437.94	0.23	**60.6**	66.7
1.30	-40	**Japan**	538.55	-0.14	**1.6**	-0.1
2.10	20	**China**	66.03	0.69	**61.9**	86.6
0.90	37	**China A (China Domestic)**	3,334.00	0.64	**92.2**	112.8
2.60	23	**Hong Kong**	10,145.05	-0.12	**54.8**	58.5
1.00	19	**India**	678.79	1.00	**83.8**	77.3
0.90	24	**Korea**	446.79	0.01	**45.6**	41.3
2.60	21	**Malaysia**	470.64	-0.07	**46.5**	48.7
3.30	16	**Singapore**	1,523.70	-0.08	**52.9**	52.7
2.70	377	**Taiwan**	278.85	-0.15	**60.8**	49.9
3.10	19	**Thailand**	284.31	-0.01	**53.6**	66.2
4.10	22	**Australia**	968.60	-0.95	**26.6**	16.8
5.10	17	**New Zealand**	86.98	-0.56	**14.6**	10.9
1.90	32	**US BROAD MARKET**	1,205.65	0.63	**22.7**	14.5
3.50	17	**EUROPE**	86.15	0.45	**24.1**	10.5

*Twenty-three developed and 26 emerging markets Source: MSCI Barra

SCANNING THE GLOBE

Dow Jones Industrial Average P/E: 18

LAST: **10406.51** ▲ 136.04, or 1.32%
YEAR TO DATE: ▲ **1,630.12, or 18.6%**
OVER 52 WEEKS ▲ **2,132.93, or 25.8%**



Nasdaq Composite Index P/E: 44*

LAST: **2196.59** ▲ 28.71, or 1.32%
YEAR TO DATE: ▲ **619.56, or 39.3%**
OVER 52 WEEKS ▲ **714.54, or 48.2%**

S&P 500 Index P/E: 71

LAST: **1110.60** ▲ 17.12, or 1.57%
YEAR TO DATE: ▲ **207.35, or 23.0%**
OVER 52 WEEKS ▲ **259.85, or 30.5%**

*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**6.70**	$26.55	0.30	**1.14%**
Alcoa	AA	**8.70**	13.59	0.41	**3.11**
AmExpress	AXP	**6.20**	41.26	0.91	**2.26**
BankAm	BAC	**56.60**	16.05	0.07	**0.43**
Boeing	BA	**1.70**	52.19	1.51	**2.98**
Caterpillar	CAT	**3.20**	60.20	1.42	**2.42**
Chevron	CVX	**3.40**	78.81	1.55	**2.01**
CiscoSys	CSCO	**12.30**	23.98	0.27	**1.14**
CocaCola	KO	**3.00**	56.89	0.43	**0.76**
Disney	DIS	**5.60**	30.75	0.31	**1.02**
DuPont	DD	**2.20**	35.08	0.77	**2.24**
ExxonMobil	XOM	**8.70**	74.43	1.96	**2.70**
GenElec	GE	**36.60**	16.06	0.40	**2.55**
HewlettPk	HPQ	**10.60**	50.55	0.64	**1.28**
HomeDpt	HD	**7.30**	27.75	0.41	**1.50**
Intel	INTC	**28.70**	20.24	0.42	**2.12**
IBM	IBM	**2.70**	128.02	0.99	**0.78**
JPMorgChas	JPM	**19.60**	43.24	0.34	**0.79**
JohnsJohns	JNJ	**5.00**	62.11	0.68	**1.11**
KftFoods	KFT	**8.00**	27.43	0.52	**1.93**
McDonalds	MCD	**5.70**	64.28	0.70	**1.10**
Merck	MRK	**11.30**	34.19	1.09	**3.29**
Microsoft	MSFT	**18.20**	29.72	0.09	**0.31**
Pfizer	PFE	**13.90**	17.92	0.33	**1.88**
ProctGamb	PG	**5.20**	62.31	0.70	**1.14**
3M	MMM	**1.00**	78.18	0.86	**1.11**
TravelersCos	TRV	**1.40**	52.98	-0.30	**-0.56**
UnitedTech	UTX	**1.60**	68.85	0.86	**1.26**
Verizon	VZ	**4.20**	30.30	0.17	**0.55**
WalMart	WMT	**6.70**	53.03	-0.17	**-0.32**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
Citigroup	C	**175.5**	$4.20	$0.15	**3.70%**
SPDR S&P 500	SPY	**79.2**	111.37	1.75	**1.60**
SprintNextel	S	**62.4**	3.48	0.38	**12.26**
BankAm	BAC	**59.2**	16.04	0.06	**0.38**
FordMotor	F	**58.1**	8.67	0.26	**3.09**
iShrMSCIEmrgMkt	EEM	**48.2**	42.09	1.05	**2.56**
PwrShrs QQQ	QQQQ	**37.5**	44.60	0.59	**1.34**
SPDR FnclSelSct	XLF	**37.2**	14.85	0.19	**1.30**
GenElec	GE	**37.1**	16.04	0.38	**2.44**
DrxFinancBear 3x	FAZ	**32.6**	19.11	–0.67	**–3.40**
AdvMicro	AMD	**29.7**	6.34	–0.19	**–2.91**
iShrRu2000	IWM	**29.0**	60.33	1.60	**2.72**
Intel	INTC	**28.9**	20.25	0.43	**2.17**
PoniardPharm	PARD	**24.6**	1.72	–5.86	**–77.29**
JPMorgChas	JPM	**19.8**	43.21	0.31	**0.72**

Biggest gainers...

Netlist	NLST	**13,195.7**	$6.56	$2.09	**46.78%**
SmartHeat	HEAT	**1,107.1**	12.08	2.87	**31.16**
ExpressJet	XJT	**541.0**	3.29	0.73	**28.52**
OsageBanc	OSBK	**2.9**	9.40	1.99	**26.86**
NabiBiopharm	NABI	**1,790.8**	4.50	0.94	**26.40**

...Biggest losers

PoniardPharm	PARD	**24,603.6**	$1.72	-$5.86	**-77.29%**
TiensBiotchGp	TBV	**280.1**	3.99	-1.21	**-23.27**
AmDairy	ADY	**2,131.2**	26.38	-6.05	**-18.66**
SinoHub	SIHI	**111.3**	4.00	-0.80	**-16.67**
CraftBrewers	HOOK	**109.9**	3.12	-0.61	**-16.35**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.39	$5.53	**Taiwan Semi**	TSM	**11,330.2**	$10.85	0.26	**2.46%**
3.85	1.62	**Utd Microelectronics**	UMC	**2,783.9**	3.84	0.17	**4.63**
11.73	4.78	**AU Optrncs**	AUO	**2,707.6**	10.25	0.32	**3.22**
76.14	24.53	**BHP Billiton**	BHP	**1,338.6**	76.01	2.72	**3.72**
6.84	3.71	**Mitsu UFJ Fnl**	MTU	**1,100.8**	5.36	0.17	**3.28**
8.19	3.14	**Siliconware Prec Ind**	SPIL	**981.2**	7.62	0.29	**3.96**
52.10	21.10	**Infosys Tech**	INFY	**792.1**	52.01	1.14	**2.24**
18.80	12.59	**SK Telecom**	SKM	**727.6**	17.37	-0.02	**-0.12**
15.95	8.56	**China Unicom**	CHU	**707.9**	13.93	0.10	**0.72**
59.22	38.51	**China Mobile**	CHL	**571.1**	48.44	0.44	**0.92**
9.50	3.96	**Nomura Hldgs**	NMR	**557.9**	6.99	-0.03	**-0.43**
19.56	15.05	**ChunghwaTel**	CHT	**475.6**	18.22	0.27	**1.50**
4.63	1.36	**Adv Semi Engrg**	ASX	**465.7**	4.60	0.14	**3.14**
32.79	8.11	**Aluminum Cp of China**	ACH	**427.6**	29.31	1.18	**4.19**
27.96	17.71	**NTT**	NTT	**333.0**	21.00	0.03	**0.14**
19.65	4.05	**Yanzhou Coal Mining**	YZC	**304.2**	19.53	1.22	**6.66**
15.29	6.85	**Korea Elec Pwr**	KEP	**271.7**	14.71	0.18	**1.24**
17.66	9.94	**KT Corp**	KTC	**248.2**	17.24	0.21	**1.23**
135.92	63.62	**PetroChina**	PTR	**246.6**	131.42	1.92	**1.48**
30.82	15.64	**Sony**	SNE	**237.6**	28.67	0.32	**1.13**
4.00	0.87	**SemiMfgInt**	SMI	**224.3**	3.25	-0.12	**-3.56**
76.61	33.93	**China Life Ins**	LFC	**209.9**	76.26	1.16	**1.54**
20.35	13.11	**NTT DoCoMo**	DCM	**203.8**	14.69	0.16	**1.09**
41.25	21.23	**Canon**	CAJ	**184.5**	38.29	0.30	**0.79**
150.50	42.35	**POSCO**	PKX	**169.1**	122.79	5.02	**4.26**
87.67	55.41	**Toyota Motor**	TM	**147.5**	80.02	1.77	**2.26**
94.00	46.45	**China Petro & Chem**	SNP	**124.3**	88.61	0.26	**0.29**
167.15	60.57	**CNOOC**	CEO	**115.5**	166.41	4.36	**2.69**
32.99	17.35	**Honda Motor**	HMC	**111.9**	32.50	0.32	**0.99**
56.41	29.81	**ChinaTele**	CHA	**77.3**	46.74	0.96	**2.10**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

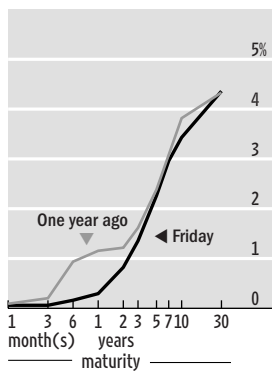
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 11 a.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**4.650%**	**382.8**	385.1	385.5	**228.4**	4.665%	4.824%	**3.498%**
4.500	10	**5.635**	**224.7**	216.4	225.8	**129.7**	5.608	5.674	**5.034**
5.250	**Austria** 2	**0.861**	**3.9**	10.6	11.3	**128.4**	0.920	1.082	**2.498**
4.350	10	**3.620**	**23.2**	22.8	33.2	**51.1**	3.672	3.748	**4.248**
3.500	**Belgium** 2	**1.020**	**19.8**	21.5	26.7	**143.6**	1.029	1.236	**2.650**
4.000	10	**3.678**	**29.0**	26.1	33.9	**52.6**	3.705	3.755	**4.263**
1.250	**Canada** 2	**1.385**	**56.3**	57.6	47.9	**69.1**	1.390	1.448	**1.905**
3.750	10	**3.431**	**4.3**	3.8	9.4	**-9.1**	3.482	3.510	**3.646**
4.000	**Denmark** 2	**2.196**	**137.4**	144.3	144.6	**219.9**	2.257	2.415	**3.413**
4.000	10	**3.632**	**24.4**	27.2	25.1	**31.6**	3.716	3.667	**4.053**
1.500	**France** 2	**1.235**	**41.3**	43.9	50.9	**133.6**	1.253	1.478	**2.550**
3.750	10	**3.584**	**19.6**	16.6	21.5	**27.5**	3.610	3.631	**4.012**
1.250	**Germany** 2	**1.179**	**35.7**	39.6	44.7	**105.3**	1.210	1.416	**2.267**
3.250	10	**3.320**	**-6.8**	-6.3	-12.2	**-2.1**	3.381	3.294	**3.716**
0.550	**Hong Kong** 2	**0.601**	**-22.1**	-21.4	-44.6	**-30.1**	0.600	0.523	**0.913**
2.640	10	**2.245**	**-114.3**	-106.0	-111.4	**-204.6**	2.384	2.302	**1.691**
3.750	**Italy** 2	**1.443**	**62.1**	60.8	68.4	**195.2**	1.422	1.653	**3.166**
4.250	10	**4.060**	**67.2**	64.3	63.6	**89.7**	4.087	4.052	**4.634**
0.300	**Japan** 2	**0.255**	**-56.7**	-55.4	-71.9	**-60.4**	0.260	0.250	**0.610**
1.300	10	**1.340**	**-204.8**	-209.4	-209.1	**-221.7**	1.350	1.325	**1.520**
4.000	**Netherlands** 2	**0.842**	**2.0**	4.0	9.6	**129.3**	0.854	1.065	**2.507**
4.000	10	**3.539**	**15.1**	12.8	20.6	**26.7**	3.572	3.622	**4.004**
3.200	**Portugal** 2	**1.117**	**29.5**	32.8	36.9	**180.3**	1.142	1.338	**3.017**
4.750	10	**3.800**	**41.2**	37.0	49.0	**64.2**	3.814	3.906	**4.379**
5.350	**Spain** 2	**1.351**	**52.9**	52.3	58.9	**163.1**	1.337	1.558	**2.845**
4.300	10	**3.844**	**45.6**	43.2	46.7	**40.8**	3.876	3.883	**4.145**
4.000	**Switzerland** 2	**0.480**	**-34.2**	-32.8	-42.4	**53.5**	0.486	0.545	**1.749**
3.000	10	**1.978**	**-141.0**	-144.4	-130.3	**-119.9**	2.000	2.113	**2.538**
3.250	**U.K.** 2	**1.406**	**58.4**	54.0	-9.3	**95.1**	1.354	0.876	**2.165**
4.500	10	**3.749**	**36.1**	35.6	19.0	**35.0**	3.800	3.606	**4.087**
1.000	**U.S.** 2	**0.822**	**...**	...	...	**...**	0.814	0.969	**1.214**
3.375	10	**3.388**	**...**	...	...	**...**	3.444	3.416	**3.737**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 3 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.360%**	16.63	–1.75%	–4.41%	–22.56%	3.22%
10-year Treasury	**3.431**	8.42	–0.17	–0.56	–6.68	6.69
7 Year Treasury	**2.960**	6.22	0.28	0.39	...	...
Five-year Treasury	**2.264**	4.66	0.35	0.74	0.71	5.73
Ryan Index	**2.532**	6.80	–0.12	–0.44	–4.82	5.36
3 Year Treasury	**1.354**	2.93	0.38	0.71	1.78	4.05
Two-year Treasury	**0.823**	1.94	0.19	0.49	1.63	2.93
1 Year Treasury	**0.295**	0.94	0.08	0.20	0.95	1.91
Six-month Treasury	**0.162**	0.50	0.02	0.05	0.61	1.23
Ryan Cash Index-a	**0.145**	0.44	0.03	0.07	0.51	0.92
Three-month bill	**0.061**	0.25	0.01	0.04	0.35	0.42
One-month bill	**0.061**	0.07	.....	0.01	0.14	0.15

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	4.00%
Canada	**2.25**	4.00
Japan	**1.475**	1.875
Britain	**0.50**	3.00
ECB	**1.00**	3.25
Switzerland	**0.53**	2.30
Australia	**3.50**	5.25
Hong Kong	**5.25**	n.a.
Libor		
One month	**0.23750%**	1.47375%
Three month	**0.27125**	2.23875
Six month	**0.51781**	2.71375
One year	**1.08813**	2.88000

	Latest	52 wks ago
Euro Libor		
One month	**0.39500%**	3.77250%
Three month	**0.67125**	4.18750
Six month	**0.97875**	4.25375
One year	**1.21250**	4.32500
Hibor		
One month	**0.10036**	1.04286%
Three month	**0.14929**	2.14714
Six month	**0.35929**	2.44643
One year	**0.63929**	2.63286
Asian dollars		
One month	**0.2420%**	1.52%
Three month	**0.2783**	2.2800
Six month	**0.5288**	2.7480
One year	**1.0950**	2.9260

	Offer	Bid
Eurodollars		
One month	**0.2800%**	0.1800%
Three month	**0.3800**	0.2800
Six month	**0.6000**	0.5000
One year	**1.5000**	0.7500

	Latest	52 wks ago
U.S. discount	**0.50%**	1.25%
Fed-funds target	**0.25**	1.00
Call money	**2.00**	2.75
Overnight repurchase rates		
U.S.	**0.15%**	0.20%
U.K. (BBA)	**0.477**	2.622
Euro zone	**0.34**	2.92

Sources: WSJ Market Data Group; Reuters

MARKETS LINEUP

Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Monday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

WSJ.com

Follow the markets throughout the day, with updated stock quotes, news and commentary at **WSJ.com.**.
Also, receive emails that summarize the day's trading in Europe and Asia.
To sign up, go to **WSJ.com/Email**

Asian index movers...

Nikkei Stock Average
Japan 9791.18
▲ **0.21% or 20.87**

Concern about potential capital raisings from banks limited gains. MUFG slid 5.5% after a person familiar with the matter said it was considering raising $11.2 billion.

Stock	Volume in millions	Close	Change Net	Change %
Mtshbsh Fin Grp	**167.87**	480	–28	–5.51
Mizuho Financial	**152.23**	172	–7	–3.91
Hitachi	**98.10**	269	–25	–8.50
Toshiba	**77.00**	479	–26	–5.15
NEC	**38.74**	244	–9	–3.56

CBN 600
China 29291.46
▲ **2.86% or 814.77**

Renewable-energy stocks led gains as U.S. President Obama urged greener policies. Zhejiang Feida Environmental Science & Technology jumped by the 10% daily limit.

Stock	Volume in millions	Close	Change Net	Change %
China State Con	**644.35**	4.92	0.11	2.29
ChinaMinshengBkg	**343.39**	8.56	0.15	1.78
United Network	**293.77**	6.61	0.17	2.64
Icbc	**245.16**	5.47	0.14	2.63
Constr Bank	**211.42**	6.14	0.15	2.50

Straits-Times
Singapore 2783.85
▲ **2.08% or 56.62**

J.P. Morgan upgrades of the three main bank stocks lifted shares. United Overseas Bank gained 5.2%. DBS Group rose 3.% and Oversea-Chinese Banking climbed 4.2%.

Stock	Volume in millions	Close	Change Net	Change %
Genting Spore	**64.81**	1.13	unch	...
Golden Agri	**44.39**	0.46	–0.01	–1.09
CapitaLand	**22.26**	4.23	0.10	2.42
Olam Inter	**20.25**	2.66	0.06	2.31
Sing Telecom	**18.53**	2.95	0.02	0.68

Hang Seng
Hong Kong 22943.98
▲ **1.73% or 390.35**

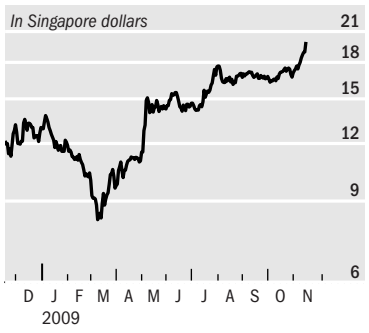
The continued rise in the price of gold helped mining-company stocks. Zijin Mining surged 6% and Zhaojin Mining Industry gained 4.1%.

Stock	Volume in millions	Close	Change Net	Change %
Icbc	**298.63**	6.96	0.16	2.35
Bank Of China	**292.64**	4.94	0.11	2.28
CCB	**291.52**	7.39	0.26	3.65
ChinaPetroChem	**143.50**	6.80	–0.02	–0.29
PetroChina	**100.61**	10.08	0.13	1.31

Asian stocks in the news

United Overseas Bk
Singapore S$19.94
▲ **5.2% or S$0.98**

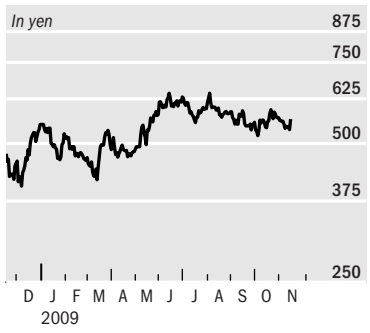
J.P. Morgan upgraded the three main Singapore bank stocks, with UOB as its top pick.



		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**14**			
Earnings per share, past four quarters	**1.39**			
Dividend yield	**3.0**			
Banks		**0.2%**	1.2%	49.9%
United Overseas Bk		**5.2%**	10.8%	64.0%

Chiba Bk
Japan ¥565
▲ **5.4% or ¥29**

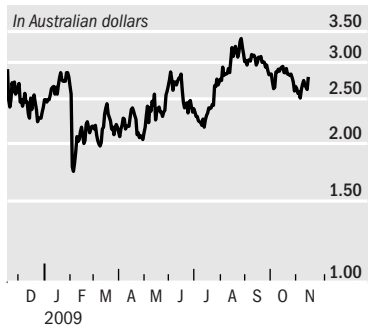
The lender said Friday that first-half net profit more than doubled.



		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**15**			
Earnings per share, past four quarters	**36.90**			
Dividend yield	**1.9**			
Banks		**0.2%**	1.2%	49.9%
Chiba Bk		**5.4%**	4.8%	18.9%

Incitec Pivot
Australia A$2.79
▲ **6.5% or A$0.17**

The company's results pleased investors, despite a full-year net loss on a goodwill write-down.



		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**6**			
Earnings per share, past four quarters	**0.47**			
Dividend yield	**0.8**			
Chemicals		**0.4%**	-0.2%	40.9%
Incitec Pivot		**6.5%**	3.7%	-3.8%

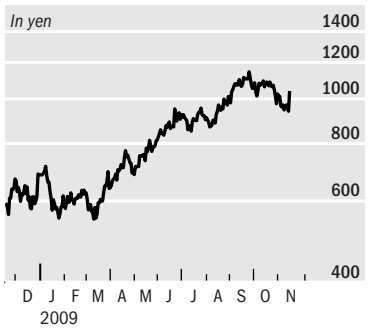
Marui Grp
Japan ¥539
▲ **6.9% or ¥35**

Nomura Securities raised its rating on the company to "neutral" from "reduce."

		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**43**			
Earnings per share, past four quarters	**12.60**			
Dividend yield	**2.6**			
Retail		**1.6%**	2.3%	29.9%
Marui Grp		**6.9%**	0.6%	-8.0%

Taiyo Nippon Sanso
Japan ¥1,040
▲ **10.6% or ¥100**

The company said Friday that it expects fiscal year net profit of 13.3 billion yen.



		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**32**			
Earnings per share, past four quarters	**33.00**			
Dividend yield	**1.2**			
Chemicals		**0.4%**	-0.2%	40.9%
Taiyo Nippon Sanso		**10.6%**	9.9%	75.7%

Resona Hldgs
Japan ¥990
▼ **3.9% or ¥40**

First-half net interest income and margins declined.

		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**10**			
Earnings per share, past four quarters	**98.80**			
Dividend yield	**1.0**			
Banks		**0.2%**	1.2%	49.9%
Resona Hldgs		**-3.9%**	-3.6%	-17.4%

Sumitomo Mitsui Finl
Japan ¥3,050
▼ **5.9% or ¥190**

MUFG's potential plan to raise $11.2 billion weighed on Japanese bank shares.

		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**14**			
Earnings per share, past four quarters	**216.20**			
Dividend yield	**3.0**			
Banks		**0.2%**	1.2%	49.9%
Sumitomo Mitsui Finl		**-5.9%**	-0.3%	-13.8%

GS Yuasa
Japan ¥684
▼ **6.7% or ¥49**

The company swung to a first-half loss.

		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**114**			
Earnings per share, past four quarters	**6.00**			
Dividend yield	**0.7**			
Automobiles & Parts		**0.6%**	1.3%	45.9%
GS Yuasa		**-6.7%**	-10.4%	75.4%

Hitachi
Japan ¥269
▼ **8.5% or ¥25**

The firm plans to raise up to $4.6 billion by selling new shares and convertible bonds.

		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**none**			
Earnings per share, past four quarters	**-48.70**			
Dividend yield	**none**			
Indus Gds & Svcs		**0.1%**	-0.3%	48.5%
Hitachi		**-8.5%**	-9.4%	-41.8%

Mitsui Chemicals
Japan ¥243
▼ **13.2% or ¥37**

The chemical maker said Friday it will raise up to $713 million in a public share offering.

		PERCENTAGE CHANGE Daily	1 wk.	52 wks
Price-to-earnings ratio	**none**			
Earnings per share, past four quarters	**-38.20**			
Dividend yield	**none**			
Chemicals		**0.4%**	-0.2%	40.9%
Mitsui Chemicals		**-13.2%**	-19.8%	-27.5%

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

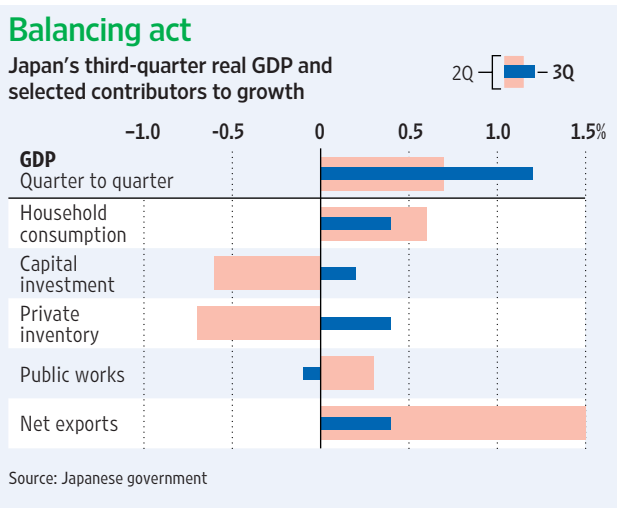
A double dip for Japan's economy?

Double dips: Good when it comes to ice cream, not when it comes to economics. Japan, unfortunately, isn't known for its ice cream.

There is good news on the economic front. Third-quarter gross domestic product figures show that stimulus measures had their desired effect, luring shoppers into car dealerships and electronics stores. Capital investment rebounded after last year's demand shock, and exports to Asia were strong. Growth also was more balanced than in the prior quarter.

All told, GDP expanded 1.2% in the July-September period from the prior quarter, twice what economists expected and the second consecutive period of growth for the world's second-largest economy. With that, though, the caveats begin.

Bloomberg News



Government incentives were a key driver of growth, and as they fade, household spending on fuel-efficient autos and energy-saving electronics are likely to slump. Auto sales could drop 10% without the eco-car breaks, the Japan Research Institute estimates, knocking 0.16 percentage point off of GDP growth. A further discouragement to consumers? An annual company survey by the Nikkei newspaper reveals that winter bonuses will drop at double-digit rates this year—the first such fall in the history of the survey.

Counting on sustained foreign demand is equally tricky, with South Korean and Chinese firms increasingly competitive and government stimulus—like Beijing's auto tax cut—also possibly fleeting. In the key U.S. market, a recovery in demand remains tenuous with unemployment still rising and consumer sentiment down sharply.

Meanwhile, another large contributor to GDP growth in the latest period, a sharp inventory increase, is part a recovery from plunging rates earlier, and part a reflection of hopes that things will pick up at home and abroad. Either way, inventory building isn't a sustainable driver of economic growth.

Perhaps uniquely Japanese among the risks, though, is deflation. The domestic-demand deflator plunged 2.6%—the largest drop since 1958—indicating that companies are losing their ability to price goods and services.

Continued government support will, most likely, offset some of this. With another election expected next year, Tokyo has already begun discussing another pump-priming package.

But with the other engines of Japan's growth still shaky, it might not be their last.

A new U.S.-China trade: pointed niceties

Welcome to China, Mr. President. By the way, why is your country becoming so protectionist?

This is the message greeting President Barack Obama as he and members of his administration head off for talks in Beijing with top Chinese leaders.

In unusually blunt comments, a Chinese Ministry of Commerce spokesman accused the U.S. of showing a hitherto unseen "protectionist side," adding that China hoped the U.S. wasn't abandoning free-trade principles.

The irony of China lecturing the U.S. on free trade, while large parts of the Chinese economy remain restricted to foreign trade and investment, should be left aside for now. Rather, the question concerning many is whether such rhetoric shows there's a real danger of an imminent breakdown in Sino-U.S. trade relations.

Such concerns still look overblown. But the high tide of issues between the two countries hasn't passed yet.

Certainly Gary Locke, the U.S. commerce secretary, is keen to put things in perspective. Rising disputes between China and the U.S., he said, are a good sign of a maturing, rules-based trade relationship. With antidumping petitions against China this year representing just 1.3% of the value of its exports to the U.S., any problems are still relatively small.

This is a fair point. But given that antidumping cases take some time to put together—12 months of evidence needs to be gathered first—there's potential for more complaints against China to emerge in the coming year.

That's something Beijing is aware of. It also knows U.S. unemployment is at unusually high levels, and that Mr. Obama owes much to his union supporters. So with the U.S. still accounting for 14% of its exports, it senses some danger, and is upping the rhetoric.

The real test of the trade relationship will come after the Obama team is safely back in Washington.

Safety net for banks quietly frays

The U.S. banking sector has enjoyed immense government support for more than a year. But a little-noticed action by Standard & Poor's has put a small, but potentially important, dent in the wall that protects the banks.

Bank ratings clearly illustrate the high level of government backing for the industry. For instance, S&P gives **Citigroup** a single-A rating, but adds that it would be rated triple-B-minus, four notches lower, with no assistance. **Morgan Stanley** and **Bank of America** get a three-notch lift. Even **Goldman Sachs Group** enjoys a two-notch benefit.

But S&P recently downgraded a Citibank subsidiary, **Citibank Korea** Inc., to its stand-alone rating, even though it theoretically enjoys the backing of its parent. S&P did so because it feels there is "uncertainty" about whether the U.S. government wants Citi to provide additional support to "noncore" overseas affiliates.

This is interesting because Citi hasn't talked about the unit as noncore. More importantly, it shows S&P is starting to tweak how it thinks about government backing. At some point, all banks will return to stand-alone ratings. S&P declined to detail a road map for that process. Citi may fare fine, since it's better capitalized than it was pre-crisis.

But the longer the enhanced ratings remain, the longer it will take for investors to know the true strength of the banking sector.

—Peter Eavis

中国实时报
CHINAREALTIMEREPORT
Your comprehensive resource for news and analysis on China, covering the hottest topics of the day in business, finance, law, policy, economics and culture.
In English at asia.WSJ.com/chinarealtime
In Chinese at cn.WSJ.com/chinarealtime
Join the conversation today.

Published by Dow Jones Publishing Company (Asia), Printed in Hong Kong by Superflag Advertising and Communication Limited, 8 Chun Ying Street, NT. Printed in Indonesia by PT Gramedia Printing Group, Jalan Palmerah Selatan 22-28, Jakarta 10270. Printed in Japan by Yomiuri Shimbun, 1-7-1, Otemachi, Chiyoda-ku, Tokyo 100-8055. Printed in Korea by JoongAng Ilbo, 7, Soonwha-Dong, Chung-Ku, Seoul 100-130. 1997 June 04 Registration no.: Seoul-KA00020 (Daily Newspaper), Publisher/Editor/Printer: Song, Pil-Ho. Printed in Malaysia by KHL Printing Co. Sdn. Bhd. (ROC No.: 235060-A) Lot 10 & 12, Jalan Modal 23/2, Seksyen 23 Kawasan Mel Phase 8, 40000 Shah Alam, Selangor, Malaysia. Printed in Philippines by FEP Printing Corporation, 381-7 Mascardo St., Corner Metropolitan Ave., Pasong Tamo, Makati City. Printed in Singapore by KHL Printing Co. Pte Ltd., 57 Loyang Drive, Singapore 508968. Printed and distributed in Taiwan by The China Post, 8 Fu Shun Street, Taipei 104. Printed in Thailand by Nation Multimedia Group Public Co., Ltd., 1854 Bangna-Trad Road, (K.M. 4.5), Prakanong, Bangkok 10260. Published and printed on behalf of the Wall Street Journal India Publishing Pvt. Ltd. 517-B World Trade Centre, Barakhamba Lane, New Delhi 110001 by Mr Suman Dubey at A-8 Sector 7, Gautam Budh Nagar, Noida-201301 and PLOT No.EL-208, TTC Industrial Area, Mahape, Navi Mumbai - 400710 (Maharashtra), India. Editor: Suman Dubey, phone: +91-1164620215. ACP no. F-2 (7/3) Press / 2009 FACSIMILE EDITION.